



Dear Members,

Your Directors present herewith the Nineteenth Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2016.

RESTRUCTURING

IDFC Limited ("IDFC" or "the Company") received an In-principle approval from the Reserve Bank of India ("RBI") on April 9, 2014 to set up a new bank under the Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013. The terms and conditions contained in the said Guidelines required IDFC to Transfer / Demerge all assets and liabilities of its lending businesses ("Financing Undertaking") to IDFC Bank Limited ("IDFC Bank"). Accordingly, the Scheme of Arrangement amongst IDFC and IDFC Bank and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956 was filed with the Hon'ble High Court of Judicature at Madras which was sanctioned vide the Order dated June 25, 2015. ("Demerger Scheme").

Pursuant to the Demerger Scheme, IDFC Bank allotted one (1) equity share having a face value of ₹ 10 each of IDFC Bank for every one (1) fully paid-up equity share of IDFC held by shareholders whose names were recorded in the Register of Members of IDFC as on the Record Date i.e. October 5, 2015.

The net book value of assets which relate to the Financing Undertaking as on the Appointed date (i.e. October 1, 2015) was ₹ 6,234.56 crore and the net worth of IDFC immediately before demerger was ₹ 15,814.93 crore.

OPERATIONS REVIEW AND FINANCIAL PERFORMANCE

During the year under review, your Company transferred its Financing Undertaking into IDFC Bank effective October 1, 2015 post receipt of approval from Hon'ble High Court of Madras to Demerger Scheme and on fulfilment of all conditions mentioned in the Demerger Scheme and receipt of Universal Banking License by IDFC Bank.

SR.NO	NAME OF THE SUBSIDIARY	DIRECT / INDIRECT SUBSIDIARY	% OF SHAREHOLDING
A	DOMESTIC SUBSIDIARIES		
i.	IDFC Financial Holding Company Limited	Direct	100%
ii.	IDFC Foundation (a Company within the meaning of Section 8 of the Companies Act, 2013)	Direct	100%
iii.	IDFC Projects Limited	Direct	100%
iv.	IDFC Bank Limited	Indirect through IDFC FHCL	(approx) 53%
v.	IDFC Infra Debt Fund Limited	Indirect through IDFC FHCL	(approx) 81.5%
vi.	IDFC Alternatives Limited	Indirect through IDFC FHCL	100%
vii.	IDFC Trustee Company Limited	Indirect through IDFC FHCL	100%
viii.	IDFC Securities Limited	Indirect through IDFC FHCL	100%
ix.	IDFC Asset Management Company Limited	Indirect through IDFC FHCL	(approx) 75%
x.	IDFC AMC Trustee Company Limited	Indirect through IDFC FHCL	(approx) 75%
xi.	IDFC Finance Limited	Indirect through IDFC Projects Limited	100%
B	FOREIGN SUBSIDIARIES		
xii.	IDFC Capital (Singapore) Pte. Limited	Indirect through IDFC Alternatives Limited	100%
xiii.	IDFC Securities Singapore Pte. Limited	Indirect through IDFC Securities Limited	100%
xiv.	IDFC Capital (USA) Inc.	Indirect through IDFC Securities Limited	100%
xv.	IDFC Investment Managers (Mauritius) Limited	Indirect through IDFC Asset Management Company Limited	(approx) 75%

Till September 30, 2015, your Company operated as Infrastructure Finance Company, financing infrastructure projects in sectors like energy, telecommunication, transportation, commercial and industrial projects, including hospitals, education, tourism and hotels.

Financing Undertaking is the lending and financing business of IDFC including all assets and liabilities pertaining to financing undertaking.

Residual Undertaking post demerger of Financing Undertaking comprises of holding shares in IDFC Financial Holding Company Limited ("IDFC FHCL") and certain other entities, goodwill, intellectual property rights and windmill operations.

To reflect the correct position post demerger, financial performance of the Company is shown as operations from continuing business (Residual Undertaking) and from discontinuing

business (Financing Undertaking) in Standalone Financial Statements.

From October 1, 2015, your Company is operating as NBFC – Investment Company mainly holding investment in IDFC FHCL (NOFHC), which in turn, holds investments in IDFC Bank, IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC Securities Limited and IDFC Infra Debt Fund Limited.

Balance Sheet size reduced from ₹ 86,520 crore as at March 31, 2015 to ₹ 9,620 crore as at March 31, 2016 on account of transfer of all assets and liabilities pertaining to Financing Undertaking to IDFC Bank. Profit from continuing operations was ₹ 141.69 crore for FY16 as compared to ₹ 66.63 crore for FY15. Loss from discontinuing operations (after exceptional item – refer note 28 in Standalone Financial Statements) was ₹ 1,969.48 crore for FY16 as compared to profit of ₹ 2,093.99

crore in FY15. As a result, the net loss for the year was ₹ 1,162.14 crore as compared to profit of ₹ 1,685.49 crore in previous year.

During the year, the Company has transferred ₹ 200 crore (Previous year ₹ 480 crore) to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961.

Details of Business Overview and Outlook of the Company and its subsidiaries are appearing in the chapter Management Discussion and Analysis which forms part of this Annual Report.

DIVIDEND

In view of losses incurred during the year, the Directors did not recommend any dividend for FY16.

SUBSIDIARY COMPANIES

IDFC has Eleven direct / indirect domestic subsidiaries and Four indirect foreign subsidiaries, as on date which are given in **Table 1**.

During the year under review the following changes took place in the group corporate structure of your Company:

1. Transfer of subsidiaries from IDFC to IDFC FHCL

IDFC received an In-principle approval from RBI on April 9, 2014 to set up a new bank in private sector and the terms and conditions contained in the Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013 mandated that new bank would need to be set up through a Non-Operative Financial Holding Company ("NOFHC"). The NOFHC was required to hold the Bank as well as all the other financial services entities of IDFC Group which are regulated by RBI or other financial sector regulators. As per the said guidelines, IDFC FHCL was incorporated as a non-operative financial holding company. IDFC transferred the entire equity stake held in its regulated subsidiary companies engaged in financial activities i.e. IDFC Alternatives Limited, IDFC Trustee

The net book value of assets which relate to the Financing Undertaking as on the appointed date (i.e. October 1, 2015) was ₹ 6,234.56 crore and the net worth of IDFC immediately before demerger was ₹ 15,814.93 crore.

Company Limited, IDFC Securities Limited, IDFC Infra Debt Fund Limited, IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited to IDFC FHCL for consideration received in cash.

2. Amalgamation of IDFC Investment Advisors Limited with IDFC Asset Management Company Limited

IDFC Investment Advisors Limited was amalgamated with IDFC Asset Management Company Limited w.e.f. June 23, 2015 with the approval of Hon'ble High Court of Bombay.

3. Transfer of equity stake of IDFC Finance Limited to IDFC Projects Limited and amalgamation

IDFC Finance Limited ("IFL"), which was a Non - deposit taking Non-Banking Financial Company, surrendered the certificate of registration to the RBI during FY16. Post surrender of the registration, the entire share capital of IFL was transferred by IDFC to IDFC Projects Limited ("IPL"). Thereafter, an application has been filed with the Hon'ble High Court of Bombay for amalgamation of IFL with IPL. The said application was admitted by Hon'ble High Court of Bombay on April 22, 2016. The entire process of amalgamation is expected to be completed within 4 -5 months time.

4. Preferential allotment in IDFC Infra Debt Fund Limited

IDFC Infra Debt Fund Limited ("IDFC IDF"), a wholly owned subsidiary of IDFC FHCL, made a preferential allotment to Housing Development Finance Corporation Limited and SBI Life Insurance Company Limited. Post the preferential issue, the shareholding of IDFC FHCL in IDFC IDF stands diluted to 81.48%.

JOINT VENTURES

IDFC Foundation, a company within meaning of Section 8 of the Companies Act, 2013 ("the Act") and a wholly owned subsidiary of the Company has following four Joint Ventures:

- Delhi Integrated Multi-Modal Transit System Limited ("DIMTS")

- Infrastructure Development Corporation (Karnataka) Limited ("iDeCK")
- Uttarakhand Infrastructure Development Company Limited ("UDeC")
- Rail Infrastructure Development Company (Karnataka) Limited (Joint Venture of iDeCK)

ASSOCIATES

IDFC Projects Limited, a wholly owned subsidiary of IDFC, has one Associate Company namely Jetpur Somnath Tollways Private Limited.

CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of IDFC reviews the affairs of its subsidiary companies regularly. In accordance with the provisions of Section 129(3) of the Act, the Company has prepared Consolidated Financial Statements including requisite details of all the subsidiaries. Further, a statement containing the salient features of the financial statements and all other requisite details of all the subsidiary companies in the format **AOC-I** is appended as **Annexure 1**. The statement also provides details of performance, financial positions of each of the subsidiary.

In accordance with Section 136 of the Act, the audited Financial Statements together with the Consolidated Financial Statements and related information of the Company and audited accounts of each subsidiary company are available on the website of the Company - www.idfc.com.

Detailed analysis of the performance of IDFC and its businesses, including initiatives in the areas of Risk Management, Human Resources, Information Technology and IDFC Foundation activities, has been presented in the section on Management Discussion & Analysis of this Annual Report.

SHARE CAPITAL UPDATE

During the year, the Company issued and allotted 1,239,802 equity shares of the Company to eligible employees of IDFC and its subsidiaries on exercise of options granted under Employee Stock Option Scheme 2007. As on March 31, 2016, the total paid up capital of IDFC was 1,594,020,668 equity shares of ₹10 each.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

IDFC had 13 employees as on March 31, 2016 and 2,776 employees at the group level.

The Disclosure pertaining to the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in this Annual Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office and Corporate Office of the Company during working hours and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as **Annexure 2**.

EMPLOYEE STOCK OPTION SCHEME

Pursuant to the resolution passed by the Members at the AGM held on August 2, 2006, IDFC had introduced Employee

Stock Option Scheme 2007 (“**the ESOS Scheme**”) to enable the employees of IDFC and its subsidiaries to participate in the future growth and financial success of the Company.

Out of 31,485,043 Options outstanding at the beginning of the current financial year, 35,64,400 Options lapsed / forfeited and 12,39,802 Options were exercised during the year. Additionally, during the year 12,898,500 Options were granted to eligible employees under the ESOS Scheme. Accordingly, 39,579,341 Options remain outstanding as of March 31, 2016. All Options vested in graded manner and are required to be exercised within a specific period. The Company has used the intrinsic value method to account for the compensation cost of stock to employees of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the Option.

The Nomination and Remuneration Committee (“**NRC**”) and the Board at their respective meetings held on April 29, 2016 approved the proposal for re-pricing and re-granting of Employee Stock Options (“**ESOPs**”) already granted under IDFC Employee Stock Option Scheme, 2007 and adoption of new IDFC Employee Stock Option Scheme, 2016 for granting ESOPs to employees of IDFC and its Subsidiary Companies. The approval of the shareholders was sought on the above proposals vide Postal Ballot notice dated May 20, 2016, details of which are given in the Corporate Governance Report which forms part of this Report. The shareholders approved the new ESOP Scheme viz IDFC Employee Stock Option Scheme, 2016 (“**IDFC ESOS 2016**”) with requisite majority, for grant of stock options to the eligible employees of the Company and its subsidiaries.

Further, during the year, there has been no material change in the IDFC ESOP Scheme and the said scheme is in compliance with SEBI (Share Based

Employee Benefits) Regulations, 2014 as amended from time to time.

The disclosure requirements under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the aforesaid

ESOP Scheme, in respect of the year ended March 31st, 2016, is disclosed on the Company’s website - www.idfc.com.

MANAGEMENT DISCUSSION & ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

In compliance with the provisions of Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), separate detailed chapters on Management Discussion & Analysis and Report on Corporate Governance forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as stipulated under Regulation 34 of the SEBI LODR Regulations has been hosted on the website of the Company - www.idfc.com. Any Member interested in obtaining a physical copy of the same may write to the Company Secretary.

PUBLIC DEPOSITS

During FY16, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 or under Chapter V of the Act.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of the Act are not applicable to loans made, guarantees given or securities provided or acquisition of securities by

a company engaged in the business of financing of companies or of providing infrastructural facilities in the ordinary course of its business. Since IDFC was providing loans to infrastructure projects upto September 30, 2015, the said Section was not applicable for first six months of FY16.

Pursuant to Demerger scheme, all the lending business of IDFC was transferred to IDFC Bank w.e.f. October 1, 2015. Accordingly, post demerger, IDFC has remained as NBFC in the category of Investment Company and has obtained license from RBI to that effect. Being an Investment Company, the said Section is not applicable to IDFC. Accordingly, the requisite details of loans, gurantees and investments are not given.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

IDFC had already adopted a Whistle Blower Policy, which included reporting to the Management instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Whistle Blower Policy was modified in light of the provisions of Vigil Mechanism prescribed under the Act and regulation 22 of SEBI LODR Regulations to ensure that the Audit Committee directly oversees the Vigil Mechanism.

The details of Vigil Mechanism are posted on the website of the Company - www.idfc.com

FOREIGN EXCHANGE

There were no foreign exchange earning as on March 31, 2016. The particulars regarding foreign exchange expenditure are furnished at Item Nos. 29 in the Notes forming part of the Standalone Financial Statements.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable, hence not given.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

With profound grief and sadness we deeply regret the demise of one of our respected Director Late Mr. S. H. Khan (DIN: 00006170) on January 12, 2016. He was associated with IDFC from February 11, 1998 to August 10, 2015.

Late Mr. S. H. Khan was actively involved with IDFC Group and will always be remembered for his wealth of knowledge and experience. His sudden death is an irreparable loss to us.

We, at IDFC Group convey our sincere and deep felt condolences to Late Mr. S. H. Khan's family.

There is no Director who is liable to retire by rotation at this AGM.

The Board appointed Mr. Vinod Rai (DIN: 01119922) as an Additional Director of the Company in the category of ID on June 30, 2015. The same was approved by the Shareholders of the Company at the 18th AGM held on July 30, 2015. Mr. Vinod Rai was appointed as a Non-Executive Independent Chairman w.e.f. October 31, 2015.

During the year, as a part of group restructuring, Dr. Rajiv B. Lall (DIN: 00131782) and Dr. Omkar Goswami (DIN: 00004258) resigned as Directors of the Company w.e.f. September 30, 2015 and August 06, 2015, respectively.

Mr. Gautam Kaji (DIN: 02333127) resigned as ID of the Company w.e.f. August 05, 2015 and was appointed as an Additional Director of the Company in the category of ID w.e.f. October 1, 2015 to hold office till the conclusion of the 21st AGM of the Company to be held for FY18.

On October 31, 2015, Mr. Joseph Dominic Silva (DIN: 06388807) resigned as a Nominee Director and Mr. Chintamani Bhagat (DIN: 07282200) was appointed in his place as an Additional Director in the category of Nominee Director representing Domestic and Foreign Institutional Investors.

The Company places on record its sincere appreciation for the valuable contribution and services rendered by the outgoing Directors.

The approval of the Shareholders is sought for the appointment of Mr. Gautam Kaji and Mr. Chintamani Bhagat at the ensuing AGM.

The Shareholders of the Company, at the AGM held on July 29, 2014, had approved the appointment of Mr. Donald Peck (DIN: 00140734) as ID to hold office till the conclusion of 19th AGM to be held for FY16. The Board of Directors at its meeting held on April 29, 2016, reappointed Mr. Donald Peck as ID to hold office till the conclusion of the 21st AGM to be held for FY18. The approval of the Shareholders is sought for the reappointment of Mr. Donald Peck at the ensuing AGM.

The Shareholders of the Company had appointed Mr. Vikram Limaye (DIN: 00488534) as Managing Director & CEO at the AGM held on July 29, 2013, for a period of Three years w.e.f. May 2, 2013. Considering the vast and valuable experience of Mr. Vikram Limaye and progress made by the Company under his leadership and based on the recommendation of NRC and subject to the approval of the Members at the ensuing AGM, the Board of Directors at its meeting held on April 29, 2016, approved the reappointment of Mr. Vikram Limaye as Managing Director & CEO for a further period of 3 years with effect from May 1, 2016, on the terms and conditions as set out in the Notice of ensuing AGM circulated along with this report.

It is proposed to approve the reappointment of Mr. Vikram Limaye as

Managing Director & CEO at the ensuing AGM.

Further, as a part of restructuring of IDFC Group, Mr. Sunil Kakar and Mr. Mahendra Shah stepped down as Chief Financial Officer ("CFO") and Company Secretary ("CS"), respectively of IDFC w.e.f. October 31, 2015. Further, Mr. Bipin Gemani & Mr. Ketan Kulkarni were appointed as CFO and CS, respectively w.e.f. October 31, 2015.

DECLARATION OF INDEPENDENCE

The Company has received a declaration from IDs, at the time of their respective appointments and also at the first meeting of the Board of Directors held in FY16, that they meet the criteria of independence specified under sub-section (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI LODR Regulations, for holding the position of IDs and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act.

BOARD AND ITS COMMITTEES

The details of the constitution and meetings of the Board and its Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

During the year Six Board meetings were held. The Board has accepted all recommendations of Audit Committee. The composition of Audit Committee is as under:

- i. Mr. Gautam Kaji—Chairperson (DIN: 02333127)
- ii. Mr. Vinod Rai—Member (DIN: 01119922)
- iii. Ms. Marianne Økland—Member (DIN: 03581266)
- iv. Mrs. Snehlata Shrivastava—Member (DIN: 06478173)

BOARD EVALUATION

Pursuant to SEBI LODR Regulations and the Act, the process indicating the manner in which formal annual evaluation of the Chairperson, Directors, Board as a whole and Board level committees are given in the Corporate Governance Report, which forms part of this Annual Report.

REMUNERATION POLICY

The Board approved the Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees, which is formulated in line with the requirements of the Act and SEBI LODR Regulations. Details of the said policy are given in the Corporate Governance Report which forms part of this Annual Report.

APPROVAL OF THE BORROWING LIMITS OF THE COMPANY, INCLUDING ISSUE OF NCDS

The Company, at its 17th AGM held on July 29, 2014, approved the proposal to borrow monies up to ₹ 80,000 crore under Section 180(1)(c) of the Companies Act, 2013. Post demerger, since the Company is now operating as Non-Banking Financial Company in the category of an Investment Company, the borrowing requirements have reduced. Accordingly, approval of the Shareholders is sought by way of special resolution, to borrow money(ies) not exceeding a sum of ₹ 10,000 crore outstanding at any point of time, including by way of issue of non-convertible securities on private placement basis.

SPECIAL BUSINESS

The Board of Directors recommends the following items under special business for approval of the Shareholders at the ensuing AGM:

- a. Appointment of Mr. Gautam Kaji (DIN: 02333127) as ID;

- b. Appointment of Mr. Chintamani Bhagat (DIN: 07282200) as a Nominee Director;
- c. Reappointment of Mr. Vikram Limaye (DIN: 00488534) as Managing Director & CEO;
- d. Reappointment of Mr. Donald Peck (DIN: 00140734) as ID; and
- e. Approval of the Borrowing limits of the Company, including by way of issue of non-convertible securities on private placement basis.

AUDITORS

STATUTORY AUDITORS

Deloitte Haskins & Sells LLP, Chartered Accountants ("DHS") (Registration No. 117366W / W-100018), will retire as the Statutory Auditors of the Company at the ensuing AGM.

DHS, the retiring Auditors, have confirmed that their appointment, if made, would be in conformity with the provisions of Sections 139(1) and 141 of the Act, read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and have given their consent to be appointed as Statutory Auditors of IDFC for FY17.

The approval of the Members is sought, by passing an Ordinary Resolution, to reappoint DHS as Statutory Auditors of the Company to hold office from the conclusion of ensuing AGM till the conclusion of the next AGM of the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. BNP & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for FY16. The Secretarial Audit Report is appended as **Annexure 3**.

There are no qualifications or observations or other remarks made by the Statutory Auditors and Secretarial Auditors in their respective reports.

RELATED PARTY TRANSACTIONS

The Company has in place the policy on Related Party Transactions and the same has been uploaded on the website of the Company - www.idfc.com. The details pertaining to Related Party transactions and related policies are provided in the Corporate Governance Report which forms part of this Annual Report.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company.

INTERNAL CONTROL SYSTEMS

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter Information Technology controls. Internal audit of the Company is regularly carried out to review *inter alia* the Internal Control Systems. Recommendations made by Internal Auditors in their reports on improving internal controls are regularly reviewed by the Audit Committee of the Board.

RISK MANAGEMENT

IDFC has robust risk management practices that enable it to book, manage and mitigate risks in its business and the businesses of its subsidiaries. The Company has a comprehensive Enterprise Risk Management framework which covers all three types of risks— credit, market and operational risks. The Board through its Risk Management Committee monitors and reviews Risk Management of the Company and its subsidiaries on a regular basis.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of IDFC which has occurred between the end of FY16 and the date of the Board's report.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

The Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, sanctioned the Scheme of Arrangement among IDFC and IDFC Bank and their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956.

Pursuant to the Demerger Scheme Long Term Infrastructure Bonds ("LTIBs") which formed part of the Financing Undertaking were required to be transferred from IDFC to IDFC Bank. The Ministry of Finance, Department of Financial Services, Government of India vide its letter dated August 7, 2015 granted its approval to transfer the said LTIBs from IDFC to IDFC Bank. Accordingly, LTIBs were transferred to IDFC Bank with effect from October 1, 2015.

ANTI SEXUAL HARASSMENT POLICY

The Company has in place a policy on Anti Sexual Harassment. The Company undertakes ongoing trainings to create awareness on this policy. No instances of Sexual Harassment were reported during the period under review.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of Companies Act, 1956 / 2013, the dividend / refund of applications which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend / refund account was required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government and no claim shall lie against the Company.

Accordingly, an amount of ₹ 2,089,855 being unclaimed / unpaid dividend for FY08 and which remained unpaid and unclaimed for a period of 7 years has been transferred by the Company to IEPF.

The Company updates the details of unclaimed / unpaid dividend on the Company's website - www.idfc.com and on MCA website - www.mca.gov.in from time to time.

Further, the unpaid dividend amount pertaining to FY09 will be transferred to IEPF during FY17.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in the prescribed Form No. MGT 9 is appended as **Annexure 4**.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR") Committee was re-constituted during the year comprising of

- i. Mr. Vikram Limaye (DIN: 00488534)—Chairperson
- ii. Mr. S. S. Kohli (DIN: 00169907)
- iii. Mr. Donald Peck (DIN: 00140734)

Pursuant to Section 135 and Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and on recommendation of the CSR Committee, the Board of IDFC approved the revised CSR Policy. The disclosure of contents of the CSR Policy is appended as **Annexure 5**.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

- that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit / loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

GREEN INITIATIVE

In accordance with the 'Green Initiative', the Company has been sending the Annual Report / Notice of AGM in electronic mode to those Shareholders whose email Ids are registered with the Company and / or the Depository Participants.

Directors are thankful to the Shareholders for actively participating in the Green Initiative.

ACKNOWLEDGEMENTS

We are grateful to the Government of India, State Governments, RBI, SEBI, Stock Exchanges, Hon'ble High court of Madras, Hon'ble High Court of Bombay, National Highways Authority of India, various Ministries and other domestic and overseas regulatory bodies for their continuous collaboration and support.

We would like to thank all our Shareholders, Bondholders, Banks and Financial Institutions for their co-operation and assistance during the year under review.

We would like to express our deep sense of appreciation for the hard work and efforts put in by the employees of the Company.

FOR AND ON BEHALF OF THE BOARD

Vinod Rai

Non-executive Independent Chairman

Mumbai,
June 25, 2016

AOC - I STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

[Pursuant to first proviso to sub-section 3 of Section 129 of the Act, read with Rule 5 of the Companies

(Accounts) Rules 2014]

PART A SUBSIDIARIES

SR. NO.	NAME OF THE SUBSIDIARY COMPANIES	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES
1	IDFC Alternatives Limited	0.22	309.98	359.54	49.34
	(Previous Year)	0.22	295.36	500.71	205.13
2	IDFC AMC Trustee Company Limited	0.05	0.05	0.14	0.04
	(Previous Year)	0.05	0.05	0.11	0.02
3	IDFC Asset Management Company Limited	2.68	123.45	278.33	152.20
	(Previous Year)	2.68	85.53	223.92	135.71
4	IDFC Capital (Singapore) Pte. Ltd.*	246.22	(43.57)	203.00	0.35
	(Previous Year)	246.22	(51.14)	195.40	0.32
5	IDFC Capital (USA) Inc.*	4.62	1.65	6.66	0.39
	(Previous Year)	4.62	1.12	6.04	0.30
6	IDFC Finance Limited	21.00	2.42	23.44	0.03
	(Previous Year)	21.00	14.51	35.53	0.02
7	IDFC Foundation (unaudited)	13.00	4.63	96.17	78.54
	(Previous Year)	13.00	3.42	82.97	66.55
8	IDFC Investment Advisors Limited	-	-	-	-
	(Previous Year)	10.00	26.23	39.06	2.83
9	IDFC Investment Managers (Mauritius) Limited*	2.51	(0.75)	1.82	0.07
	(Previous Year)	0.85	(0.55)	0.36	0.06
10	IDFC Projects Limited	34.05	(88.92)	109.70	164.57
	(Previous Year)	34.05	(53.07)	78.66	97.68
11	IDFC Securities Limited	14.14	120.53	170.31	35.64
	(Previous Year)	14.14	105.68	326.94	207.12

₹ IN CRORE

INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	PROFIT AFTER TAX	PROPOSED DIVIDEND (%)	% OF SHAREHOLDING EQUITY
262.29	124.41	26.28	11.67	14.61	-	100%
414.12	116.17	38.51	15.79	22.72	-	100%
-	0.12	0.01	β	0.01	-	75%
-	0.08	0.01	β	β	-	75%
233.10	315.61	162.78	52.74	110.04	3050%	75%
168.73	271.48	112.08	41.71	70.38	1950%	75%
137.05	7.88	(3.71)	-	(3.71)	-	100%
143.62	7.85	3.69	-	3.69	-	100%
-	2.49	0.14	0.05	0.19	-	100%
-	3.21	0.18	(0.05)	0.23	-	100%
-	4.30	4.24	1.42	2.82	-	100%
35.00	1.96	1.92	0.45	1.47	-	100%
57.57	12.40	1.21	-	1.21	-	100%
32.23	10.25	0.32	-	0.32	-	100%
-	-	-	-	-	-	-
31.73	26.27	19.73	6.67	13.07	-	75%
-	-	(0.23)	-	(0.23)	-	75%
-	-	(0.27)	-	(0.27)	-	75%
108.93	5.73	(34.70)	1.15	(35.85)	-	100%
73.58	-	(0.11)	-	(0.11)	-	100%
74.57	73.31	23.37	8.52	14.85	-	100%
244.50	94.19	56.17	14.29	41.88	1050%	100%

PART A SUBSIDIARIES (CONTD.)

SR. NO.	NAME OF THE SUBSIDIARY COMPANIES	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES
12	IDFC Securities Singapore Pte. Ltd*	14.91	(9.81)	5.31	0.20
	(Previous Year)	11.45	(7.08)	4.53	0.16
13	IDFC Trustee Company Limited	0.05	3.84	3.91	0.03
	(Previous Year)	0.05	3.28	3.34	0.01
14	IDFC Infra Debt Fund Limited	540.00	41.53	1,421.61	840.43
	(Previous Year)	310.00	4.43	314.45	0.01
15	IDFC Financial Holding Company Limited	8,785.00	(0.44)	8,784.82	0.26
	(Previous Year)	0.05	(2.53)	0.05	2.53
16	IDFC Bank Limited	3,392.62	10,239.94	73,969.87	60,337.31
	(Previous Year)	0.05	(2.58)	0.05	2.58

PART B ASSOCIATES AND JOINT VENTURES

(Pursuant to Section 129(3) of the Act related to Associates Companies and Joint Ventures)

SR. NO.	NAME OF ASSOCIATE COMPANIES	JETPUR SOMNATH TOLLWAYS PRIVATE LIMITED (ASSOCIATE OF IDFC PROJECTS LIMITED)
1	Latest audited Balance Sheet Date	March 31, 2016
2	Shares of associate held by the Company at March 31, 2016	
	Number of Equity Shares	42,637,400
	Number of Preference Shares	40,300,000
	Amount of investment in associate companies (₹ in crore)	89.50
	Extend of Holding (%)	26.00%
3	Description of how there is significant influence	Note 1
4	Reason why the associate is not consolidated	NA
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	73.45
6	Profit / (Loss) for the year ended March 31, 2016 (₹ in crore)	(0.53)
	i. Considered in Consolidation	(0.14)
	ii. Not Considered in Consolidation	(0.39)

Note 1: The group has significant influence through holding more than 20% of the equity shares in the investee company in terms of Accounting Standard 23, issued by ICAI.

Note 2: Delhi Integrated Multi-Modal Transit System Limited, Infrastructure Development Corporation (Karnataka) Limited, Uttarakhand Infrastructure Development Company Limited and Rail Infrastructure Development Company (Karnataka) Limited are Joint Ventures of IDFC Foundation (a Company within the meaning of Section 8 of the Act), hence the details thereof are not reproduced here.

₹ IN CRORE

INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	PROFIT AFTER TAX	PROPOSED DIVIDEND (%)	% OF SHAREHOLDING	EQUITY
-	0.73	(2.98)	-	(2.98)	-	100%	
-	0.29	(4.25)	-	(4.25)	-	100%	
3.86	0.83	0.81	0.25	0.56	-	100%	
3.29	0.75	0.72	0.22	0.50	-	100%	
106.50	74.99	37.10	-	37.10	-	81%	
311.20	β	5.74	1.22	4.52	-	100%	
8,739.80	3.55	3.26	1.17	2.09	-	100%	
0.05	-	(2.53)	-	(2.53)	-	100%	
20,091.18	3,648.83	715.77	248.92	466.85	-	53%	
-	-	(2.59)	β	(2.59)	-	100%	

Notes:

1. IDFC Investment Advisors Limited was amalgamated with IDFC Asset Management Company Limited effective June 23, 2015.
2. IDFC transferred entire equity stake held in (i) IDFC Asset Management Company Limited, (ii) IDFC AMC Trustee Company Limited, (iii) IDFC Alternatives Limited, (iv) IDFC Securities Limited (v) IDFC Trustee Company Limited; and (vi) IDFC Infra Debt Fund Limited to IDFC FHCL.
3. Due to demerger, equity investment of (i) Feedback Infra Private Limited and (ii) Millennium City Expressways Private Limited held by IDFC were transferred to IDFC Bank.
4. IDFC transferred entire equity stake held in IDFC Finance Limited to IDFC Projects Limited.
5. IDFC Infra Debt Fund Limited ("IDFC IDF"), a wholly owned subsidiary of IDFC FHCL, made a preferential allotment to Housing Development Finance Corporation Limited and SBI Life Insurance Company Limited. Post the preferential issue, the shareholding of IDFC FHCL in IDFC IDF stands diluted to 81.48%.

*Exchange Rate:

Closing Rate: 1 USD = ₹ 66.33

Average Rate: 1 USD = ₹ 65.69

Figures of ₹ 50,000 or less have been denoted by β.

Notes forming part of Consolidated Financial Statements

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF IDFC LIMITED

VINOD RAI

Non-executive Chairman

BIPIN GEMANI

Chief Financial Officer

VIKRAM LIMAYE

Managing Director & CEO

KETAN S. KULKARNI

Company Secretary

Mumbai | April 29, 2016

RATIO OF DIRECTOR REMUNERATION TO EMPLOYEE MEDIAN REMUNERATION

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

SR. NO.	REQUIREMENTS	DISCLOSURE
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Dr. Rajiv B. Lall was the Executive Chairman of the Company for the first 6 months from April 1, 2015 to September 30, 2015. The ratio of the remuneration of Dr. Lall to the median remuneration of the employees of IDFC Limited for the first 6 months of FY16 was 25 X. Mr. Vikram Limaye is the Managing Director & CEO of the Company for the entire period of FY16. The ratio of the remuneration of Mr. Limaye to the median remuneration of the employees of IDFC Limited for FY16 was 21 X.
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Dr. Rajiv B. Lall was the Executive Chairman of the Company for the first 6 months, from April 1, 2015 to September 30, 2015. His annual consolidated remuneration on accrual basis for FY16 was ₹ 5.7 crore. This constitutes a 5.5% increase over his annual remuneration for FY15. Mr. Vikram Limaye was the Managing Director & CEO of the Company for the entire period of FY16. His annual total remuneration on accrual basis for FY16 was ₹ 4.8 crore. This constitutes a 2% increase over his annual remuneration for FY15. There was no increase in the remuneration of any other KMP for FY16.
III	The percentage increase in the median remuneration of employees in the financial year	There were 467 employees on rolls of IDFC Limited as on March 31, 2015. Of this group, almost 60% had joined the Company in the last 6 months of the year and therefore, were not eligible for a pay revision. The median pay increase for eligible employees was 13%.
IV	The number of permanent employees on the rolls of the Company	There were 1,233 employees till Demerger i.e. up to September 30, 2015 and post demerger, there are 13 employees of the Company as on date.
V	The explanation on the relationship between average increase in remuneration and Company performance	Factors considered for increase in remuneration: Performance of the Company, the compensation benchmark study in the industry and regulatory provisions. Variable compensation is an integral part of the total pay package and is based on an individual performance rating, business unit performance and compensation benchmark study in the industry.
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	As per the Company's policy of rewarding the employees, including Key Managerial Personnel, the increase in remuneration and variable pay is based on an individual performance rating and business unit performance and the compensation benchmark study is also factored. Please note that variable pay paid in FY16 is for performance in FY15.
VII	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	The Market Capitalization of IDFC as at March 31, 2016 was ₹ 6,447.81 crore. The earning per share of the Company was ₹ (7.29) as at March 31, 2016. The stock price of the Company as at March 31, 2016 was at ₹ 40.45. Since the numbers on March 31, 2016 represent the position post demerger, they are not comparable with the numbers as of March 31, 2015.

RATIO OF DIRECTOR REMUNERATION TO EMPLOYEE MEDIAN REMUNERATION (CONTD.)

SR. NO.	REQUIREMENTS	DISCLOSURE
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel as per the Companies Act, 2013 is in line with the compensation benchmark study and the performance of the Company over a period of time. There is no exceptional increase in the Managerial Remuneration.
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Remuneration of Key Managerial Personnel as per the Companies Act, 2013 is in line with the benchmark study and performance of the Company.
X	The key parameters for any variable component of remuneration availed by the directors	The variable component depends on the performance assessment done by the NRC against key performance parameters set at the beginning of the year and market benchmarks for similar roles.
XI	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Nil
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	We confirm.

ANNEXURE



SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2016 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
IDFC Limited
KRM Tower, 8th Floor
No.1, Harrington Road,
Chetpet, Chennai 600031

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **IDFC Limited** (hereinafter called 'the Company') for the audit period covering the financial year ended on 31st March, 2016 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory

compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and subject to our separate letter attached as Annexure I; we hereby report that in our opinion, the Company has, during the audit period generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism

in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the Companies Act, 1956 (to the extent applicable to the Company);
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vi. Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and other relevant guidelines and circulars issued by the Reserve Bank of India from time to time and to the extent of capital adequacy norms and periodic reporting's done by the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes;
- ii. Listing Agreement entered into by the Company with the Stock Exchanges.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the Company:

- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that - The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Proper notice is given to all Directors to schedule the Board meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board

of Directors during the period under review.

We further report that - There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has:

1. Obtained consent of the Board of Directors to issue Non-Convertible Securities aggregating up to ₹ 80,000 crores on Private Placement basis.

2. Obtained approval from the members authorizing the Board of Directors to borrow monies aggregating up to ₹ 80,000 crores, by issuance of Non-Convertible Securities on Private Placement basis under one or more shelf disclosure documents.
3. Issued and allotted 70,420 Bonds in multiple tranches of different series of an issue price aggregating ₹ 68,589,995,350/-
4. Demerged its Financing Undertaking into IDFC Bank Limited pursuant to a Scheme of Arrangement between the Company and IDFC Bank Limited and their respective shareholders

and creditors as approved by the Hon'ble High Court, Madras vide its order dated June 25, 2015.

FOR BNP & ASSOCIATES

Company Secretaries
[Firm Regn. No. P2014MH037400]

Keyoor Bakshi

Partner
FCS 1844 / CP No.2720

Mumbai
April 29, 2016

ANNEXURE I TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,
The Members
IDFC Limited

Our secretarial audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

FOR BNP & ASSOCIATES

Company Secretaries
[Firm Regn. No. P2014MH037400]

Keyoor Bakshi

Partner
FCS 1844 / CP No.2720

Mumbai
April 29, 2016

FORM NO. MGT. 9 EXTRACT OF ANNUAL RETURN

For the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

01 REGISTRATION AND OTHER DETAILS

1	CIN	L65191TN1997PLC037415
2	Registration Date	January 30, 1997
3	Name of the Company	IDFC Limited
4	Category / Sub-Category of the Company	Non Banking Financial Company - Investment Company
5	Address of the Registered office and contact details	KRM Tower, 8th Floor, No.1, Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu, India. Tel.: +91 44 4564 4000 Fax No.: +91 44 4564 4022
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, (Unit: IDFC Limited), Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032. Tel.: +91 40 6716 1500 Fax No.: +91 40 2342 0814

02 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER
1	NBFC (IFC) registered with RBI upto September 30, 2015 and NBFC (IC) registered with RBI w.e.f. October 1, 2015	IDFC Limited holds a certificate of registration bearing no. B-07.00718 issued by the Reserve Bank of India ("RBI") to carry on the activities of a Non-Banking Financial Company ("NBFC") under Section 45 IA of RBI Act, 1934 in the category of Investment Company ("IC")	100

03 PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IDFC Financial Holding Company Limited	U65900TN2014PLC097942	Subsidiary	100	2(87)
2	IDFC Alternatives Limited	U67190MH2002PLC137798	Subsidiary	100	2(87)
3	IDFC Capital (Singapore) Pte. Limited	Foreign Company	Subsidiary	100	2(87)
4	IDFC Trustee Company Limited	U65990MH2002PLC137533	Subsidiary	100	2(87)
5	IDFC Securities Limited	U99999MH1993PLC071865	Subsidiary	100	2(87)
6	IDFC Securities Singapore Pte. Limited	Foreign Company	Subsidiary	100	2(87)
7	IDFC Capital (USA) Inc.	Foreign Company	Subsidiary	100	2(87)
8	IDFC Asset Management Company Limited	U65993MH1999PLC123191	Subsidiary	75	2(87)
9	IDFC Investment Managers (Mauritius) Limited	Foreign Company	Subsidiary	75	2(87)
10	IDFC AMC Trustee Company Limited	U69990MH1999PLC123190	Subsidiary	75	2(87)
11	IDFC Projects Limited	U45203MH2007PLC176640	Subsidiary	100	2(87)
12	IDFC Finance Limited	U45201MH2000PLC271333	Subsidiary	100	2(87)
13	IDFC Foundation	U93000DL2011NPL215231	Subsidiary	100	2(87)
14	IDFC Infra Debt Fund Limited	U67190MH2014PLC253944	Subsidiary	81.48	2(87)
15	IDFC Bank Limited	U65110TN2014PLC097792	Subsidiary	52.98	2(87)
16	Jetpur Somnath Tollways Private Limited	U74120HR2011PTC058062	Associate ¹	26	2(6)
17	Delhi Integrated Multi-Modal Transit System Limited	U60232DL2006PLC148406	Joint Venture ²	50	2(6)
18	Infrastructure Development Corporation (Karnataka) Limited	U45203KA2000PLC027382	Joint Venture ²	49.50	2(6)
19	Uttarakhand Infrastructure Development Company Limited	U65993UR2002SGC027065	Joint Venture ²	49.90	2(6)
20	Rail Infrastructure Development Corporation (Karnataka) Limited	U60100KA2000PLC028171	Joint Venture ³	49.93	2(6)

¹ Associate of IDFC Projects Limited.² Joint Venture of IDFC Foundation (a Company within the meaning of Section 8 of the Act)³ Joint Venture of Infrastructure Development Corporation (Karnataka) Limited

04

SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

I CATEGORY-WISE SHARE HOLDING

SR. NO.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31 MARCH 2015				NO. OF SHARES HELD AT THE END OF THE YEAR 31 MARCH 2016				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
A	Promoter and Promoter Group									
1)	INDIAN									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1)	-	-	-	-	-	-	-	-	-
2)	Foreign									
a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
c)	Institutions	-	-	-	-	-	-	-	-	-
d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2)	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	-	-	-	-	-	-	-	-	-
B	Public Shareholding									
1)	Institutions									
a)	Mutual Funds / UTI	137,020,532	-	137,020,532	8.60	139,208,295	-	139,208,295	8.73	(0.13)
b)	Financial Institutions / Banks	8,256,920	-	8,256,920	0.52	12,422,498	-	12,422,498	0.78	(0.26)
c)	Central Government / State Government(s)	261,400,000	-	261,400,000	16.41	261,400,000	-	261,400,000	16.40	0.01
d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e)	Insurance Companies	65,344,459	-	65,344,459	4.10	48,928,925	-	48,928,925	3.07	1.03
f)	Foreign Institutional Investors	754,628,310	-	754,628,310	47.38	729,910,965	-	729,910,965	45.79	1.59
g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i)	Others - FDI	5,851,271	-	5,851,271	0.37	5,151,271	-	5,151,271	0.32	0.05
	Sub-Total B(1)	1,232,501,492	-	1,232,501,492	77.38	1,197,021,954	-	1,197,021,954	75.09	2.29
2)	Non-Institutions									
a)	Bodies Corporate	153,745,975	-	153,745,975	9.67	87,059,296	-	87,059,296	5.47	4.20
b)	Individuals									
i)	Individuals holding nominal share capital upto ₹ 1 lakh	124,713,557	30,157	124,743,714	7.83	265,409,974	31194	265,441,168	16.65	(8.82)
ii)	Individuals holding nominal share capital in excess of ₹ 1 lakh	60,916,685	-	60,916,685	3.82	10,434,560	-	10,434,560	0.65	3.17
c)	Others									
i)	Clearing members	4,378,198	-	4,378,198	0.27	8,287,710	-	8,287,710	0.52	(0.25)
ii)	Non resident indians	9,105,521	-	9,105,521	0.57	12,850,511	-	12,850,511	0.81	(0.24)
iii)	Trusts	7,389,281	-	7,389,281	0.46	12,925,469	-	12,925,469	0.81	(0.35)
d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2)	360,249,217	30,157	360,279,374	22.62	396,967,520	31,194	396,998,714	24.91	(2.29)
	Total B=B(1)+B(2)	1,592,750,709	30,157	1,592,780,866	100.00	1,593,989,474	31,194	1,594,020,668	100.00	-
	Total (A+B)	1,592,750,709	30,157	1,592,780,866	100.00	1,593,989,474	31,194	1,594,020,668	100.00	-
C	Shares held by custodians, against which depository Receipts have been issued									
1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	1,592,750,709	30,157	1,592,780,866	100.00	1,593,989,474	31,194	1,594,020,668	100.00	-

II SHAREHOLDING OF PROMOTERS

SR NO.	SHAREHOLDERS'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR		% CHANGE DURING THE YEAR
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	
NOT APPLICABLE							

III CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change)

SR NO.		SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	At the beginning of the year				
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NOT APPLICABLE			
3	At the end of the year				

IV SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters and Holders of GDRs and ADRs)

SR NO.	NAME OF SHAREHOLDERS*	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CHANGES IN THE SHAREHOLDING DURING THE YEAR		CUMULATIVE SHAREHOLDING AT THE END OF THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	President of India	261,400,000	16.41	-	-	261,400,000	16.40
2	Sipadan Investments (Mauritius) Limited	151,145,989	9.49	-	-	151,145,989	9.48
3	National Westminster Bank PLC as Depository of First State Asia Pacific Leaders Fund a sub fund of First State Investments ICVC	58,444,883	3.67	45,482,277	-	103,927,160	6.52
4	Orbis Sicav-Asia Ex-Japan Equity Fund	32,222,151	2.02	18,558,796	-	50,780,947	3.19
5	Actis Hawk Limited	37,091,569	2.33	-	-	37,091,569	2.33
6	First State Investments (Hongkong) Limited A/C First State Asian Equity Plus Fund	9,755,316	0.61	20,443,527	-	30,198,843	1.89
7	CLSA Global Markets Pte. Ltd.	13,975,374	0.88	13,554,871	-	27,530,245	1.73
8	East Bridge Capital Master Fund Limited	-	-	25,768,744	-	25,768,744	1.62
9	Ashish Dhawan	-	-	19,999,990	-	19,999,990	1.25
10	Orbis Global Equity Fund Ltd	17,919,198	1.13	-	-	17,919,198	1.12

Top ten Shareholders of the Company as on March 31, 2016 have been considered for the above disclosure.

*The shares of the Company are traded on daily basis and hence, the date wise increase / decrease in shareholding is not indicated.

V SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SR NO.	NAME OF SHAREHOLDERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR / DATE OF APPOINTMENT		CHANGES IN THE SHAREHOLDING DURING THE YEAR		SHAREHOLDING AT THE END OF THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Dr. Rajiv B. Lall, Executive Chairman ¹	1,198,984	0.08	-	-	1,198,984	0.08
2	Mr. Vikram Limaye, MD & CEO	2,043,728	0.13	-	-	2,043,728	0.13
3	Mr. Sunil Kakar, CFO ²	-	-	-	-	-	-
4	Mr. Mahendra N. Shah, CS ²	210,000	0.01	-	-	210,000	0.01
5	Mr. Bipin Gemani, CFO ³	141,442	0.01	-	-	141,442	0.01
6	Mr. Ketan Kulkarni, CS ³	-	-	-	-	-	-

¹ Resigned w.e.f. September 30, 2015

² Resigned w.e.f. October 31, 2015

³ Appointed w.e.f. October 31, 2015

05 INDEBTEDNESS

₹ IN CRORE

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i. Principal Amount	65,756.13	495.40	-	66,251.53
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	2,198.36	-	-	2,198.36
TOTAL (i+ii+iii)	67,954.49	495.40	-	68,449.89
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(67,954.49)	(495.40)	-	(68,449.89)
Net Change	(67,954.49)	(495.40)	-	(68,449.89)
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	-	-	-	-

06 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

AMOUNT IN ₹

A REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER:

SR. NO.	PARTICULARS OF REMUNERATION	DR. RAJIV B. LALL EXECUTIVE CHAIRMAN (01-04-15 TO 30-09-15)	MR. VIKRAM LIMAYE MD & CEO (01-04-15 TO 31-03-16)	TOTAL AMOUNT
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,866,502	28,114,675	43,981,177
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,567,800	39,600	1,607,400
c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option			
3	Sweat Equity			
4	Commission			
i)	as % of profit	-	-	-
ii)	Others, specify	-	-	-
5	Others—Contribution to Provident & Other Funds	806,880	1,951,680	2,758,560
	TOTAL (A)	18,241,182	30,105,955	48,347,137
	Ceiling as per the Act			Refer Note 5

1. Dr. Rajiv B. Lall resigned w.e.f. September 30, 2015.

2. In May 2016, Dr. Lall was awarded a Performance Bonus of ₹ 2 crore from IDFC Bank (subject to approval from RBI) for his performance during FY16 (Previous Year: a sum of ₹ 2.5 crore was paid while he was on the payroll of IDFC Limited, for his Performance during FY15).

3. In May 2016, Mr. Limaye was awarded a Performance Bonus of ₹ 1.75 crore for his performance during FY16 (Previous Year: a sum of ₹ 2.15 crore was paid for his Performance during FY15).

4. In FY16 Dr. Lall's combined remuneration on accrual basis (from IDFC and IDFC Bank) was ₹ 5.7 crore (Previous Year - ₹ 5.4 crore) and Mr. Limaye's total remuneration on accrual basis was ₹ 4.8 crore (Previous Year - ₹ 4.7 crore).

5. The remuneration paid to the Executive Directors is within the limits prescribed under the Companies Act, 2013.

6. Details of Stock Options granted during the year to Dr. Lall & Mr. Limaye are provided in table no 05 of Corporate Governance Report which forms part of this report.

B REMUNERATION TO OTHER DIRECTORS

SR. NO.	PARTICULARS OF REMUNERATION	LATE MR. S. H. KHAN	DR. OMKAR GOSWAMI	MR. SHARDUL SHROFF	MR. GAUTAM KAJI
1	Independent Directors				
	Fee for attending board committee meetings	250,000	175,000	-	575,000
	Commission	2,100,000	1,875,000	387,500	1,875,000
	Others, please specify				
	TOTAL (1)	2,350,000	2,050,000	387,500	2,450,000
2	Other Non-executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify				
	TOTAL (2)	-	-	-	-
	TOTAL (B) = (1+2)	2,350,000	2,050,000	387,500	2,450,000
	TOTAL MANAGERIAL REMUNERATION (A+B)				
	Overall ceiling as per the Act				

Note: In terms of the provisions of the Act, the remuneration payable to Directors other than executive Directors shall not exceed 1% of the net profit of the Company. The remuneration paid to the Directors is well within the said limit.

C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

AMOUNT IN ₹

SR. NO.	PARTICULARS OF REMUNERATION	MR. SUNIL KAKAR	MR. MAHENDRA N. SHAH	MR. BIPIN GEMANI	MR. KETAN S. KULKARNI	TOTAL
		CFO	CS	CFO	CS	
		(UPTO SEPT. 30, 2015)	(UPTO SEPT. 30, 2015)	(w.e.f. October 1, 2015)	(w.e.f. October 1, 2015)	
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,350,704	6,294,408	4,088,160	1,002,674	19,735,946
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	169,800	-	13,500	13,500	196,800
c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option					
3	Sweat Equity					
4	Commission					
i)	as % of profit	-	-	-	-	-
ii)	Others, specify	-	-	-	-	-
5	Others—Contribution to Provident & Other Funds	1,238,850	465,094	615,620	108,427	2,427,991
	TOTAL	9,759,354	6,759,502	4,717,280	1,124,601	22,360,737

- In May 2016, Mr. Kakar & Mr. Shah were awarded Performance Bonus of ₹ 90 lakh & ₹ 82 lakh, respectively for their performance in FY16 (Previous Year ₹ 1.66 crore & ₹ 1.35 crore, respectively were paid while they were on the payroll of IDFC Limited, for their Performance during FY15).
- For FY16 combined remuneration on accrual basis (from IDFC and IDFC Bank) of Mr. Kakar & Mr. Shah was ₹ 2.87 crore & ₹ 2.21 crore, respectively (Previous Year ₹ 3.31 crore & ₹ 2.41 crore, respectively).
- Details of Stock Options granted during the year to Key Managerial Personnel are provided on the website of the Company - www.idfc.com under the head Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 disclosures.

							AMOUNT IN ₹
MR. DONALD PECK	MR. JOSEPH DOMINIC SILVA	MS. MARIANNE ØKLAND	MR. S. S. KOHLI	MR. CHINTA BHAGAT	MR. VINOD RAI	TOTAL AMOUNT	
325,000	-	525,000	500,000	-	550,000	2,900,000	
1,500,000	-	1,725,000	1,618,750	-	-	11,081,250	
1,825,000	-	2,250,000	2,118,750	-	550,000	13,981,250	
-	150,000	-	-	150,000	-	300,000	
-	1,200,000	-	-	-	-	1,200,000	
-	1,350,000	-	-	150,000	-	1,500,000	
1,825,000	1,350,000	2,250,000	2,118,750	150,000	550,000	15,481,250	
							110,328,387
							Refer Note

07 PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY / PUNISHMENT / COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT / COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
A. Company					
Penalty					
Punishment			N I L		
Compounding					
B. Directors					
Penalty					
Punishment			N I L		
Compounding					
C. Other Officers In Default					
Penalty					
Punishment			N I L		
Compounding					

CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

SR. NO.	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED (CLAUSE NO. OF SCHEDULE VII TO THE ACT, AMENDED)
1	Improvement in the learning environment in night schools—which cater to underprivileged students.	Cl.(ii) promoting education
2	Improvement in learning outcomes through pedagogical interventions for children attending anganwadi centers set up under the Integrated Child Development Scheme of the Government of India.	Cl.(ii) promoting education
3	Improvement in learning outcomes and universalization of primary education for a set of 60 schools in the backward blocks of Ramgarh and Kishangarh through an identified set of interventions and infrastructure improvements.	Cl.(ii) promoting education
4	Promoting Digital Literacy amongst School Students to enable access to universal knowledge, quality education, healthcare, transparent governance and economic opportunities.	Cl.(ii) promoting education
5	Support to Janaagraha Centre for Citizenship and Democracy to strengthen and improve the quality of life in Indian cities and towns.	Cl.(ii) promoting education Cl.(ii) livelihood enhancement projects
6	Improvement of infrastructure facilities at Anganwadi centre and Primary Schools at Sanghakheda Kalan Village.	Cl.(ii) promoting education
TOTAL		
7	Improvement in access to maternal and neo-natal health services for poor slum dwellers by strengthening the linkages with existing public health systems.	Cl.(i) promoting health care including preventive health care
8	Providing emergency food supplies, house hold items and non-food items (NFIs) to meet the urgent needs of families affected by flood in Chennai.	Cl.(i) promoting health care including preventive health care
9	Support to Kamla Nehru Memorial Hospital for the maintenance cost of the essential cancer treatment equipment used for providing cancer treatment to underprivileged/ economic weaker section of the society.	Cl.(i) promoting health care including preventive health care
TOTAL		
10	Cattle Care programme for breed improvement by providing services such as Artificial Insemination (AI) & other Veterinary Services to the Cattle farmers which have helped in their livelihood promotion.	Cl.(ii) livelihood enhancement projects
11	Improving the aspired quality of life for the people through the development of infrastructure projects - (i) Setting up of Micro Hydel for supply of electricity; (ii) Solar street light; and (iii) Clean drinking water in Mawlyngbwa Village, Meghalaya.	Cl.(ii) livelihood enhancement projects; Cl.(iv) ensuring environmental sustainability; Cl.(x) rural development projects.
12	Setting up a Centre of Excellence for developing Handloom and Crafts as a means of sustainable livelihoods for the women in the remote areas of Uttarakhand.	Cl.(ii) livelihood enhancement projects
13	Skill development programme for improving the employment opportunities for the youth.	Cl.(ii) livelihood enhancement projects
TOTAL		
14	Other programmes (including research & studies).	Various clauses of Schedule VII
TOTAL		
Total Direct Expense of Project & Programmes (A)		
Overhead Expense (restricted to the 5% of total CSR expenditure) (B)		
Total (A) + (B)		

*IDFC Foundation, a not for profit company within the meaning of Section 8 of Act (erstwhile Section 25 company of the Companies Act, 1956) has a comprehensive approach towards promoting the development of livelihoods, rural areas, social infrastructure such as healthcare and education and other infrastructure that would meet the objectives of Inclusion and environmental sustainability such as water supply, sanitation, renewable energy, slum re-development and affordable housing.

₹ IN CRORE

PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB HEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVER HEADS	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
Maharashtra-Mumbai		0.74	1.35	IMPLEMENTING AGENCY IDFC FOUNDATION*
Uttarakhand-Dehradun, Nainital, Haridwar, Udham Singh Nagar and Tehri.		0.34	1.42	
Rajasthan-Alwar		1.04	1.93	
Madhya Pradesh-Hoshangabad	5.12	0.89	0.89	
Gujarat-Ahmedabad & Surat, Karnataka-Bangalore, Madhya Pradesh-Bhopal, Odisha-Bhubaneswar, Chandigarh, Tamilnadu-Chennai, Kerala-Thiruvananthapuram, Uttarakhand-Dehradun, Delhi, Andhra Pradesh-Hyderabad, Rajasthan-Jaipur, Uttar Pradesh-Kanpur & Lucknow, West Bengal-Kolkata, Punjab-Ludhiana, Maharashtra-Mumbai, Bihar-Patna, Chhattisgarh-Raipur, Jharkhand-Ranchi		0.53	0.53	
Madhya Pradesh-Hoshangabad		0.25	0.25	
	5.12	3.79	6.37	
Maharashtra-Mumbai		0.95	1.97	
Tamilnadu-Chennai	3.43	1.22	1.22	
Uttar Pradesh-Allahabad		0.67	0.67	
	3.43	2.84	3.86	
Madhya Pradesh-Hoshangabad, Harda, Khandwa, Khargone and Dhar		0.80	0.80	
Meghalaya-Across State	3.20	0.69	2.08	
Uttarakhand-Almora		0.45	0.45	
Madhya Pradesh-Hoshangabad		0.19	0.19	
	3.20	2.13	3.52	
All India coverage	11.65	3.84	7.75	
	11.65	3.84	7.75	
		12.60	21.50	
		1.09	2.23	
	23.40	13.69	23.73	

WE HEREBY CERTIFY THAT THE IMPLEMENTATION AND MONITORING OF CSR POLICY IS IN COMPLIANCE WITH CSR OBJECTIVES AND POLICY OF THE COMPANY.

1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The CSR policy is to ensure that CSR activities are not performed in silos and that it be skilfully and inextricably woven into the fabric of the Company's business strategy for overall value creation for all stakeholders. IDFC believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities Pan-India befitting its status as a conscientious corporate citizen.

Section 135 of Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules 2014 requires IDFC to mandatorily spend on CSR.

During the year, IDFC carried out CSR activities through its wholly owned subsidiary company, namely, IDFC Foundation, a not-for-profit Company within the meaning of Section 8 of the Act, 2013 (erstwhile Section 25 of the Companies Act, 1956).

The object of the CSR activities would seek to:

- a.** serve the poor, marginalised and underprivileged
- b.** promote inclusion
- c.** be sustainable
- d.** meet needs of the larger community and society

IDFC Foundation, as implementing agency on behalf of IDFC Limited and its group companies, undertook the

following CSR activities which fall within the ambit of the activities listed in Schedule VII of the Act for promoting the development of:

- a. livelihoods
- b. rural areas
- c. social infrastructure such as healthcare and education; and
- d. other infrastructure that would meet the objectives of Inclusion and environmental sustainability such as water supply, sanitation, renewable energy, slum re-development and affordable housing.

2 The Composition of the CSR Committee.

Mr. Vikram Limaye - Chairperson
Mr. S. S. Kohli - Member
Mr. Donald Peck - Member

3 Average net profit of the company for last three financial years

₹ 2,339.65 crore

4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

₹ 46.79 crore

₹ 23.40 crore for half year (See note below)

5 Details of CSR spent during the financial year.

₹ 23.40 crore

a. Total amount to be spent for the financial year;

₹ 23.40 crore

b. Amount unspent, if any;

Nil

Note: IDFC was operating NBFC (IFC) (Lending Institution) till September 30, 2015. Pursuant to Demerger Scheme, effective October 1, 2015, it has transferred its entire lending business to IDFC Bank and is now registered with RBI as NBFC(IC) with minimal operations. Accordingly CSR contribution is restricted to ₹ 23.40 crore till IDFC functioned as operating Company.