September 27, 2022

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

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

Sub: Outcome of 25th Annual General Meeting - IDFC Limited

Dear Sirs/Madam,

Pursuant to Regulation 30 Part A of Schedule Ill of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations'), we hereby submit the Proceedings / Outcome of 25th Annual General Meeting of the Shareholders of IDFC Limited (**"the Company"**) which was held on Tuesday, September 27, 2022 at 11.00 a.m. through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') through facility provided by KFin Technologies Limited ('KFin') in compliance with the applicable provisions of the Companies Act, 2013, Rules framed thereunder and the SEBI Listing Regulations. The AGM has been convened and held as per the directive(s) of relevant Authorities.

In this regard, please find enclosed the following-

(1) Summary of proceedings as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – I**

(2) Report of Scrutinizer dated September 27, 2022, pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014 as **Annexure – II**.

(3) Annual Report for the financial year 2021-22 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013-as **Annexure – III**.

(4) Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – **Annexure - IV**.

Please take the above on records.

For IDFC Limited

SHIVANGI MAHESH MISTRY
Digitally signed by SHIVANGI MAHESH MISTRY
Date: 2022.09.27 19:04:32 +05'30'

Shivangi Mistry
Company Secretary
Encl.: a/a

Annexure – I

Summary of proceedings of the 25th Annual General Meeting:

The 25th Annual General Meeting (AGM) of the Members of IDFC Limited ('the Company') was held on Tuesday, September 27, 2022 at 11.00 a.m through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM').

The Company Secretary welcomed all the Members present through VC / OAVM.

The Company Secretary mentioned that AGM was being conducted through VC / OAVM, in compliance with relevant circulars issued by Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI').

Mr. Anil Singhvi (Chairman of the Board, Chairman of Audit Committee and Chairman of the Stakeholder Relationship Committee) chaired the meeting. He introduced the members of the Board. The requisite quorum being present, the Chairman called the meeting to order. Ms. Anita Belani - Chairperson of the Nomination & Remuneration and Risk Management & IT Strategy Committee and Dr. Jaimini Bhagwati – Chairman of Corporate Social Responsibility Committee and Allotment & Share Transfer Committee and Mr. Ajay Sondhi, Mr. Sunil Kakar and Mr. Mahendra N Shah – Managing Director- Designate were present at the Meeting. The representatives of the Statutory Auditors and Secretarial Auditors were also present at the Meeting.

Members were informed that since the Annual Report for the financial year 2021-22 along with the Notice of the AGM, had already been circulated to the members electronically, the Notice of the AGM was taken as read with the permission of the shareholders. The Auditors' report on Standalone Financials was free from any qualifications, observations or comments on financial transactions or matters which have an adverse effect on the functioning of the company, accordingly, the Chairman requested the members, if the said report could be taken as read.

The Company Secretary then invited Chairman to brief the shareholders on operation of the Company and way forward.

The Chairman then invited members to ask their queries, if any, give suggestions, seek clarifications.

The Moderator requested Members who had registered themselves as speakers to speak one by one. The speakers expressed their views / sought clarifications on some of the items of Annual Report of the Company. After hearing from all the speakers, Mr. Anil Singhvi, Chairman of the Board, responded to their observations and provided clarifications to their satisfaction.

The Company Secretary informed that the Company had provided to the Members, the facility to cast their vote electronically, on all resolutions set forth in the Notice. Members who were present at the AGM and did not cast their votes electronically earlier were provided an opportunity to cast their votes during the AGM by electronic means.

The following items of business, as per the Notice of AGM dated August 29, 2022, were transacted at the meeting and approved with requisite majority.

1.	To consider and adopt: a. the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and the Auditors thereon; and b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the Report of the Auditors thereon. (As Ordinary Resolution)	Approved
2.	Appointment of Mr. Mahendra N Shah as the Managing Director (As Special Resolution)	Approved

The Board of Directors had appointed Bhandari & Associates, Company Secretaries as the Scrutinizer to supervise the e-voting and ballot voting process.

It was informed that the combined voting results (Evoting and Ballot voting) will be announced on or before September 29, 2022 and will be inform to Stock Exchanges and uploaded on website of the Company.

The meeting concluded at 12.20 p.m. and thereafter e-voting remained open for 15 minutes for those members who participated in AGM and could not vote earlier.

The Chairman thanked the Members and Directors for attending the AGM and declared the meeting as concluded.

For IDFC Limited

SHIVANGI MAHESH MISTRY Digitally signed by SHIVANGI MAHESH MISTRY Date: 2022.09.27 19:02:16 +05'30'

Shivangi Mistry
Company Secretary

B&A

BHANDARI & ASSOCIATES
COMPANY SECRETARIES

Consolidated Scrutinizer's Report for Remote E-Voting & E-Voting at the 25th Annual General Meeting of IDFC Limited held on September 27, 2022

[Pursuant to section 108 of the Companies Act, 2013 and
Companies (Management and Administration) Rules, 2014 as amended]

To,
The Chairman
IDFC Limited
[CIN: L65191TN1997PLC037415]
906/907, 9th Floor,
Embassy Centre,
Jamnalal Bajaj Road,
Nariman Point, Mumbai - 400021

Dear Sir,

I, Manisha Maheshwari, Partner of M/s Bhandari & Associates, Company Secretaries, have been appointed as a Scrutinizer by the Board of Directors of IDFC Limited ("the Company") for the purpose of scrutinizing the voting by electronic means i.e. "remote e-voting" and through electronic voting system at the 25th Annual General Meeting ("AGM") of the shareholders of the Company, pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and in accordance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on the resolutions contained in the Notice of the AGM, held on Tuesday, September 27, 2022 at 11:00 a.m. through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM").

The management of the Company is responsible to ensure compliance with the provisions of the Companies Act, 2013 and the rules made thereunder including Ministry of Corporate Affairs ("MCA") General Circular No. 14/ 2020 dated April 8,2020, Circular No. 17/ 2020 dated April 13, 2020, Circular No. 20/2020 dated May 5,2020. Circular No. 02/ 2021 dated January 13, 2021, Circular No. 21/ 2021 dated December 14, 2021 and Circular No. 02/ 2022 dated May 05, 2022 (collectively referred to as MCA Circulars) and the Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (hereinafter collectively referred to as "SEBI Circulars") issued by SEBI and Listing Regulations relating to voting through electronic means by remote e-voting and electronic voting at the AGM by the shareholders on the resolutions proposed in the Notice calling the AGM.

My responsibility as a scrutinizer for the e-voting process is restricted to prepare the Scrutinizer Report on the votes cast "in favour" or "against" the resolution(s) based on the reports generated from the e-voting system provided by the KFin Technologies Limited, the authorized service provider for extending the facility of electronic voting to the shareholders of the Company.

BHANDARI & ASSOCIATES B&A MUMBAI COMPANY SECRETARIES

Further to the above, I submit my report as under:

(i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 and Regulation 44 of Listing Regulations and MCA Circulars and SEBI Circulars, the Company has availed the e-voting facility offered by KFin Technologies Limited for conducting remote e-voting and e-voting at the AGM by the Shareholders who attended the AGM through VC / OAVM and who had not cast their vote through remote e-voting.

(ii) In terms of MCA Circulars and SEBI Circulars, the Company had sent the notice of AGM in electronic form only to its members whose name(s) appeared in the Register of members/ list of beneficiaries as on August 26, 2022.

(iii) The public advertisement with respect to dispatch of notices and conducting of voting through electronic means was published in an English newspaper 'Financial Express' (All India Edition) and 'Makkal Kural' (Chennai Edition) of wide circulation in their respective editions September 02, 2022.

(iv) The shareholders of the Company holding shares as on the cut-off date i.e., Tuesday, September 20, 2022 were entitled to vote on the resolutions as set out in the Notice of the AGM.

(v) The voting period for remote e-voting commenced Thursday, September 22, 2022 at 9:00 a.m. and end on Monday, September 26, 2022 at 5.00 p.m. and thereafter, the voting portal was blocked forthwith.

(vi) After the conclusion of AGM, the report on the e-voting carried at the AGM and remote e-voting process were unblocked by me in the presence of two witnesses Ms. Palak Vora and Ms. Swati Warrier and diligently scrutinized.

(vii) I have scrutinized and verified the votes cast through remote e-voting and e-voting at the AGM based on the data generated from KFin Technologies Limited e-voting portal.

I now submit my Consolidated Report on the Results of the remote e-voting and e-voting at the AGM in respect of said resolutions as under:

BHANDARI & ASSOCIATES • COMPANY SECRETARIES • MUMBAI

Item No. 1: Ordinary Resolution

Adoption of the audited standalone financial statements (standalone and consolidated) of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and the Auditors thereon;

(i) Voted **in favour** of the resolution:

Mode of voting	Number of members voted	Number of votes cast by Members	% of total number of valid votes cast
E-voting at AGM	12	36,49,801	100
Remote e-voting	978	88,33,88,374	100
Total	**990**	**88,70,38,175**	**100**

(ii) Voted **against** the resolution:

Mode of voting	Number of members voted	Number of votes cast by Members	% of total number of valid votes cast
E-voting at AGM	0	0	0
Remote e-voting	49	17,644	Negligible
Total	**49**	**17,644**	**Negligible**

(iii) Invalid votes:

Mode of voting	Number of Members voted	Number of votes cast by Members
E-voting at AGM	0	0
Remote e-voting	0	0
Total	**0**	**0**

BHANDARI & ASSOCIATES MUMBAI COMPANY SECRETARIES

Item No. 2: Special Resolution

Appointment of Mr. Mahendra N Shah as the Managing Director of the Company with effect from October 01, 2022 upto September 30, 2023.

(i) Voted **in favour** of the resolution:

Mode of voting	Number of members voted	Number of votes cast by Members	% of total number of valid votes cast
E-voting at AGM	12	36,49,801	100
Remote e-voting	872	77,18,94,948	87.23
Total	**884**	**77,55,44,749**	**87.29**

(ii) Voted **against** the resolution:

Mode of voting	Number of members voted	Number of votes cast by Members	% of total number of valid votes cast
E-voting at AGM	0	0	0
Remote e-voting	146	11,29,61,794	12.77
Total	**146**	**11,29,61,794**	**12.71**

(iii) Invalid votes:

Mode of voting	Number of Members voted	Number of votes cast by Members
E-voting at AGM	0	0
Remote e-voting	0	0
Total	**0**	**0**

BHANDARI & ASSOCIATES COMPANY SECRETARIES B&A MUMBAI

(viii) All the resolutions mentioned in the AGM notice dated August 29, 2022 as per the details above stand passed with the requisite majority.

(ix) The electronic data and all other relevant records relating to the e-voting is under my safe custody and all will be handed over to the Company Secretary for preserving safely after the Chairman considers, approves and signs the minutes of the 25th AGM.

Thanking You,

Yours Faithfully,
For Bhandari & Associates
Company Secretaries

Manisha Maheshwari
Partner
ACS No. 30224
C.P. No. 11031
ICSI UDIN: A030224D001054931

Mumbai | September 27, 2022

Witness 1: Palak Vora

Witness 2: Swati Warrier

Counter signed by:
For IDFC Limited

Shivangi Mistry
Company Secretary
(Under Authority by Chairman)

Annexure-III

IDFC LIMITED

25th Annual Report
2021 - 2022

SAVE PAPER,
SAVE TREES,
SAVE THE EARTH.

450,000+ Shareholders have already registered their email id.

In accordance with General Circular No. 20/2020 dated May 5, 2020 read with Circular No. 02/2022 dated May 05, 2022 issued by Ministry of Corporate Affairs and circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI, the Company has sent the Annual Report / Notice of AGM only through electronic mode to those Shareholders whose e-mail Ids were registered with the Company / RTA / Depository Participants and will not be sending physical copies of the same.

Those members who have not registered their email addresses with the Company's RTA / Depository Participants, as the case may be, are requested to visit https://ris.kfintech.com/email_registration/ and follow the process as mentioned on the landing page to receive the Annual Report, AGM Notice and Voting Instructions. In case of any queries, shareholder may write to einward.ris@kfintech.com or shivangi.mistry@idfclimited.com

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CHAIRMAN'S STATEMENT

Dear Shareholders,

During the financial year, business environment continued to remain challenging. Covid19 reared its head through the third wave and inflationary headwinds forced regulators across the world to raise interest rates and tighten liquidity. Challenges were exacerbated globally by geopolitical tensions disrupting supply chains and constraining availability of resources. As a nation, we navigated these challenges well. In the coming years, hopefully, with abatement of these macro headwinds, the India growth story should gain momentum and be back on track.

Strategically, as all of you are aware, towards creating value for our shareholders, we have exited all our non-retail businesses. We have now embarked on the final phase of our strategic journey i.e., divesting our asset management business and merger of IDFC Limited ("IDFC") and IDFC Financial Holding Company Limited ("IDFC FHCL") with IDFC FIRST Bank Limited ("IDFC FIRST Bank") for unlocking value for our shareholders.

The process to sell IDFC Asset Management Company ("IDFC AMC") was initiated in October 2021 by appointing Citigroup Global Markets India Private limited as the investment banker and saw its culmination with the signing of a share purchase agreement (SPA) with the Bandhan consortium (Bandhan Bank, GIC and Chrys Capital) in April 2022. The sale witnessed participation from existing players and marquee investors interested in entering the Indian AMC industry.

Notwithstanding macro and geopolitical challenges during the last quarter of the fiscal, the AMC sale transaction was documented efficiently in a time bound manner and at a valuation comparable to the best in the industry (valuation of INR 4,500 crore subject to terms and conditions). The sale is subject to various regulatory approvals.

Towards unlocking value in respect of our bank holding, the Boards of IDFC, IDFC FHCL and IDFC FIRST Bank accorded in-principle approval to the prospective merger of these entities subject to necessary regulatory and other approvals.

Further, to simplify our corporate structure, many steps were taken during the fiscal which included liquidation of

IDFC Securities Singapore Pte Ltd.; merger of IDFC Alternatives Limited, IDFC Projects Limited and IDFC Trustee Company Limited with IDFC Limited (application filed in December 2021 and awaiting final order); and, winding up of IDFC Institute, a division of IDFC Foundation (substantially completed). We have also taken sustained and rigorous efforts to divest our stake in our two joint ventures i.e. Delhi Integrated Multi-Modal Transit System (DIMTS) and Infrastructure Development Corporation (Karnataka) Limited (IDeCK) with the state governments of Delhi and Karnataka respectively. We are hopeful and committed to complete the last phase of corporate restructuring in a time bound manner.

We also declared and paid to IDFC shareholders in May 2022 an interim dividend of INR 1/- per share.

During the fiscal, the standalone Balance Sheet size increased from INR 9,304 crore as on March 31, 2021 to INR 9,359 crore as on March 31, 2022. Profit after tax and other comprehensive income was higher at INR 22 crore during the fiscal as compared to INR 9 crore in the previous fiscal. Net worth of the company increased from INR 9,261 crore as on March 31, 2021 to INR 9,285 crore as on March 31, 2022.

Our bank continues to do well and its foundation is built on customer-first principles. We believe in transparency and not surprising our customer by billing customer fees or charges through fine-prints. We were the first universal bank to offer monthly interest credit for savings accounts. In credit cards, we were the first bank to introduce low, dynamic pricing, zero interest rate on cash withdrawal till billing date, lifetime free credit cards and easy online redemption of rewards points.

Our bank continues to invest in laying a strong, modular and contemporary technology architecture that will enable efficiency, resilience, and growth. Our newly launched mobile app is top rated and provides several unique services and experiences to our customers.

Our bank continues to strengthen its capabilities of predictive analytics in areas including credit underwriting, portfolio management, collection strategy and fraud risk mitigation.

IDFC FIRST Bank is focused on creating a strong platform by consolidating and strengthening the balance sheet through growing assets at a calibrated pace and expediting deposit growth during the initial years. We moderated overall loan growth during initial years (CAGR of 6%) and grew deposits as a faster pace (retail deposits CAGR of 72%). This phase focused on consolidation is now complete. A strong foundation has been built to launch into a growth phase focused on profitability and asset quality from here on.

Our bank demonstrated a strong growth in operating profits. While our loan book grew by only 13% year-on-year, core operating profit *(pre-provisioning operating profit excluding trading gain)* rose by 44% from INR 1,909 crore in previous fiscal to INR 2,753 crore during the fiscal. This establishes the higher profitability of our incremental business. We are also witnessing strong improvement in operating leverage. We expect these to continue to play out over the next few years, resulting in increased overall profitability and return on equity.

Fee income of our bank is well diversified and net profit of our bank was INR 343 crore in last quarter of the fiscal driven by core operational income.

Our bank has demonstrated strong capability to raise deposits based on our strong brand, customer first products and excellent service. Our retail deposits grew by INR 54,820 crore to reach INR 68,035 crore in just three years. We have built a strong CASA base of ~50% which is best in class in the industry. Our strong growth in retail deposits has reduced our dependence on wholesale deposits and has provided greater stability to our liabilities. Asset quality of our bank has been stable and continues to improve every quarter.

The fiscal was a landmark year in the journey of IDFC AMC culminating in the divestment of the business as stated earlier. The transaction envisages continuity in the management team and business plans of our asset management business. Although subject to regulatory approvals, the divestment marks a rare win-win for both shareholders and employees.

Notwithstanding uncertainties that a divestment process brings to the business, IDFC AMC successfully challenged this trend and grew its average assets under management by over 8.5%. The business delivered strong growth in profits (+23% year-on-year) driven by higher assets under management, margin improvement and proactive cost management. We also expanded our product basket by launching new funds i.e., our first international fund - the IDFC US Equity Fund of Fund; IDFC Multi-Cap Fund; and, IDFC Nifty 100 Index Fund.

To conclude, notwithstanding a challenging macro environment, our employees have worked very hard to create a strong, robust and vibrant platform. I take this opportunity to thank each one of them for their sincere efforts.

I also thank each one of you - our valued shareholders, for placing your faith and confidence in us. I look forward to your continued support.

Anil Singhvi
Independent Non-Executive Chairman
August 25, 2022

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. ANIL SINGHVI
Independent Director (w.e.f. May 25, 2021)
Independent Non-Executive Chairman
(w.e.f. December 22, 2021)

DR. JAIMINI BHAGWATI
Independent Director (w.e.f. May 25, 2021)

MS. RITU ANAND
Independent Director (till August 15, 2022)

MR. AJAY SONDHI
Independent Director

MS. ANITA BELANI
Independent Director (w.e.f. November 09, 2021)

MR. VINOD RAI
Independent Non-Executive Chairman (till May 25, 2021)
Non-Independent Non-Executive Chairman
(w.e.f. May 25, 2021 till September 22, 2021)

MR. SUNIL KAKAR
(till September 30, 2022)
Managing Director & CEO

MR. MAHENDRA N SHAH
Managing Director - Designate
(w.e.f. August 24, 2022 till September 30, 2022)
Managing Director (w.e.f. October 01, 2022)

OFFICES

REGISTERED OFFICE
CHENNAI
4th Floor, Capitale Tower,
555 Anna Salai, Thiru Vi Ka Kudiyiruppu,
Teynampet, Chennai - 600 018
TEL: +91 44 45644201 / 4202 / 4223

CORPORATE OFFICE
MUMBAI
906/907, 9th Floor, Embassy Centre,
Jamnalal Bajaj Road,
Nariman Point, Mumbai – 400021
TEL: +91 22 2282 1549

CORPORATE INFORMATION

CIN: L65191TN1997PLC037415
www.idfclimited.com
info@idfclimited.com

STATUTORY AUDITORS
KKC & Associates LLP
(previously, Khimji Kunverji & Co LLP),
Chartered Accountants

PRINCIPAL BANKER
IDFC FIRST Bank Limited

COMPANY SECRETARY
Ms. Shivangi M Mistry

REGISTRAR AND SHARE TRANSFER AGENT
KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
(Unit: IDFC Limited)
Selenium Tower B,
Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500032. India
TEL: +91 40 67161512
EMAIL: einward.ris@kfintech.com

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty-Fifth Annual Report on the business and operations of the Company together with the audited financial statements, prepared under Ind-AS, for the financial year ended March 31, 2022.

OPERATIONS REVIEW

Effective October 1, 2015 post demerger of Financing Undertaking into IDFC FIRST Bank Limited (earlier known as IDFC Bank), IDFC Limited ("IDFC" or "the Company") is operating as an NBFC – Investment Company mainly holding investment in IDFC Financial Holding Company Limited ("IDFC FHCL") which is a non-operative financial holding company. IDFC FHCL in turn holds investments in IDFC FIRST Bank Limited ("IDFC FIRST Bank") and IDFC Asset Management Company Limited ("IDFC AMC"). IDFC has negligible business operations and is main focus is to simplify corporate structure and unlock value for shareholders. During the year, Balance Sheet size increased from Rs. 9,303.78 crore as on March 31, 2021 to Rs. 9,358.51 crore as on March 31, 2022. Profit after tax and other comprehensive income was higher at Rs. 21.86 crore for FY 2021-22 as compared to Rs. 8.87 crore in FY 2020-21. Net worth of the Company increased from Rs. 9,261.10 crore as on March 31, 2021 to Rs. 9,284.77 crore as on March 31, 2022. During the year, the Company transferred Rs. 4.39 crore to Special Reserve u/s 45-IC of Reserve Bank of India ("RBI") Act, 1934. 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 report.

DIVIDEND

The Board of Directors has not recommended any dividend for FY22. The Board of Directors declared an Interim dividend of Re. 1/- per share in April 2022 and the same was paid to shareholders on May 02, 2022.

DIVIDEND DISTRIBUTION POLICY

In accordance with the Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), IDFC had formulated a Dividend Distribution Policy. The policy was adopted to set out the parameters and circumstances that will be considered by the Board in determining the distribution of dividend to its Shareholders and / or retaining profits earned by the Company. The said policy is hosted on the website of the Company and can be viewed at http://www.idfclimited.com/investor_ relations/corporate_governance_policies.htm.

SUBSIDIARY COMPANIES

The Company has seven domestic direct indirect subsidiaries, one foreign indirect subsidiary, four Associate Companies and two Joint Ventures as on March 31, 2022 which are given in **Table 1.**

IDFC Asset Management Company Limited

The Board of Directors of IDFC and the Board of Directors of IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC AMC along with IDFC AMC Trustee Company Limited

("IDFC AMC Trustee") and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by IDFC FHCL to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited and Infinity Partners (affiliates of ChrysCapital) ("Proposed Transaction"). The Proposed Transaction will be completed upon receipt of requisite regulatory and other approvals, as applicable, and completion of closing related actions mutually agreed between the parties. The gross consideration for the Proposed Transaction is Rs. 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure. This consideration is in addition to receipt of Rs. 250 crores as dividend from IDFC AMC in March 2022. The necessary applications have been made to concerned authorities/ regulators.

On July 07, 2022, the Shareholders of IDFC through postal ballot have approved the divestment/ sale/ disposal of the IDFC Asset Management Company Limited (material subsidiary of IDFC Limited) and IDFC AMC Trustee Company Limited.

PROPOSED MERGER OF SUBSIDIARIES

In order to simplify corporate structure and to bring synergy, the Board of Directors ('the Board') of IDFC Limited at its meeting held on November 09, 2021 had inter alia considered and approved the Scheme of Amalgamation of IDFC Alternatives Limited (Transferor Company 1), IDFC Trustee Company Limited (the Transferor Company 2) and IDFC Projects Limited (the Transferor Company 3) (wholly owned subsidiary Companies) into IDFC Limited (Transferee Company) subject to regulatory approvals from various authorities, as applicable. The Registrar of Companies, Chennai upon receipt of the proposed scheme and Form CAA-9 has intimated the Transferor Company 1, the Transferor Company 2, the Transferor Company 3, and the Transferee Company that it has no observations/ suggestions to the present scheme of amalgamation vide letter dated February 01, 2022. On February 06, 2022, the Shareholders of IDFC Limited through postal ballot had approved the aforesaid scheme of amalgamation. The Official Liquidator attached to the Madras High Court has intimated the Transferor Company 1, the Transferor Company 2 and the Transferor Company 3 that it has no observations/suggestions to the present scheme of amalgamation vide letter dated March 24, 2022. Approval from Regional Director / National Company Law Tribunal is awaited. Effective date of the merger is April 01, 2021. Post receiving all approvals, effect of merger will be given.

IDFC FOUNDATION

In FY 21-22, IDFC Foundation ("the Foundation") through its division, IDFC Institute primarily focused on select projects of social and environment importance. The Foundation provides in-depth, actionable research and recommendations that are grounded in a contextual understanding of the political economy of execution. The Foundation approach to public policy issues rests on a solid foundation of evidence-based research. The Institute's research focuses on two broad areas: a) growth and job creation in the context of India's transition from farm to non-farm, rural to urban and informal to formal economic activity; and b) redefining the relationship between state and citizen to one of equals to improve the public delivery of essential services and welfare.

01 SUBSIDIARY COMPANIES

SR. NO.	NAME OF THE SUBSIDIARY	DIRECT / INDIRECT SUBSIDIARY	% OF SHAREHOLDING
Domestic Subsidiaries			
i.	IDFC Financial Holding Company Limited ("IDFC FHCL")	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 Alternatives Limited	Direct	100%
v.	IDFC Trustee Company Limited	Direct	100%
vi.	IDFC AMC Trustee Company Limited	Indirect through IDFC FHCL	100%
vii.	IDFC Asset Management Company Limited ("IDFC AMC")	Indirect through IDFC FHCL	99.96%
Foreign Subsidiaries			
i.	IDFC Investment Managers (Mauritius) Ltd.	Indirect through IDFC FHCL	99.96%
Associate			
i.	Novopay Solutions Private Limited	Direct	23.83%
ii.	IDFC FIRST Bank Limited	Indirect through IDFC FHCL	36.49%
iii.	IDFC FIRST Bharat Limited	Indirect through IDFC FIRST Bank	36.49%
iv.	Jetpur Somnath Tollways Private Limited	Indirect through IDFC Projects Limited	26%
Joint Ventures			
i.	Delhi Intigrated Multi - Modal Transit System Limited	Indirect through IDFC Foundation	50%
ii.	Infrastructure Development Corporation (Karnataka) Limited ("iDeck")	Indirect through IDFC Foundation	49.49%

The Foundation conducted sero-surveys in Delhi, Mumbai and Thane to assess the impact of the second wave and of the vaccination campaign. These studies, showing over 80% seroprevalence in children, contributed to the decision to reopen schools in both Mumbai and Delhi.

The Foundation launched The Indian COVID-19 Alliance (TICA) to develop a vaccination strategy in India with a focus on vaccine allocation, distribution, communication and financing. Foundation conducted a series of studies to better understand vaccine hesitancy and confidence in Punjab and Karnataka (February 2021), West Bengal (March-June 2021) and Maharashtra (June 2021). Their findings were presented to the Ministry of Health and Family Welfare as part of a national consultation on vaccine hesitancy. Building on these findings, they collaborated with the Health Department of the Government of Punjab to support their COVID-19 Vaccination Communication efforts.

The Foundation also engaged with policies put out by ministries by submitting comments on the 'Draft National Geospatial Policy (2021)' in June, 2021 and the 'Proposed amendments to the Consumer Protection (e-commerce) Rules' in July 2021. In addition to this, it also engaged with the Punjab government by offering guidance to the Department of Governance Reforms & Public Grievances on implementing their state data policy.

PROPOSED MERGER OF IDFC, IDFC FHCL AND IDFC FIRST BANK

The Boards of IDFC, IDFC FHCL and IDFC FIRST Bank at their respecting meetings held on December 30, 2021 have accorded in-principle approval to merge IDFC and IDFC FHCL with IDFC FIRST Bank post further simplification of corporate structure and divestment of IDFC AMC.

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 Companies Act, 2013 ("the act"), the Company has prepared Consolidated Financial Statements including requisite details of all the subsidiaries. Further, a statement containing the salient features of performance and financial positions of all the subsidiary companies / associates/ joint ventures in the format AOC-I is appended as **Annexure 1.** 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.idfclimited.com. Detailed analysis of the performance of IDFC and its businesses, including initiatives in the areas of Risk Management, Human Resources and IDFC Foundation activities, have been presented in the section on Management Discussion & Analysis which forms part of this Annual Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

IDFC had 6 employees as on March 31, 2022 and 328 employees at the group level (holding and subsidiaries). In terms of 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, as amended from time to time, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is 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 Shareholders 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. Disclosure pertaining to remuneration & 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, as

amended from time to time, are appended as **Annexure 2**.

SHARE CAPITAL UPDATE

During the year, the Company issued and allotted 77,626 equity shares to eligible employees of IDFC on exercise of options granted under Employee Stock Option Scheme 2016 ("IDFC ESOS -2016"). As on March 31, 2022, the total paid up capital of IDFC was 1,59,64,35,942 equity shares of Rs. 10 each.

MANAGEMENT DISCUSSION ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

In compliance with Regulation 34 of SEBI LODR Regulations, separate detailed chapters on Management Discussion & Analysis, Report on Corporate Governance and Additional Shareholder Information forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of SEBI LODR Regulations and Notifications issued from time to time, a separate report called Business Responsibility Report ("BRR") describing the initiatives taken by IDFC from an environmental, social and governance perspective is hosted on the Company's website: www.idfclimited.com which forms part of this Annual Report.

PUBLIC DEPOSITS

During FY22, 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

Post demerger of financing undertaking into IDFC Bank w.e.f. October 1, 2015, IDFC is registered with RBI as NBFC – Investment Company. Being an investment company, the provisions of Section 186 of the Act are not applicable to IDFC. Hence, the requisite details of loans, guarantees and investments are not given.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

IDFC has put in place a Whistle Blower Policy, which includes reporting to the Management instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Audit Committee directly oversees the Vigil Mechanism. The provisions of the policy are also in line with the provisions of Section 177 (9) & (10) of the Act. The details of Whistle Blower Policy / Vigil Mechanism are posted on the website of the Company: www.idfclimited.com. There were no instances reported during the year.

FOREIGN EXCHANGE

There were no foreign exchange earnings or expenditure during the year under review.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not carry out any manufacturing activity, the particulars regarding conservation of energy, technology absorption and other particulars as required by Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 are not applicable to IDFC.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Shareholders of the Company, at its 21st AGM held on July 31, 2018, appointed Mr. Vinod Rai (DIN: 00041867) as an Independent Non-Executive Director for the second term for a period of 3 (three) consecutive years, from July 31, 2018 to July 30, 2021. The Nomination and Remuneration Committee and the Board of Directors of IDFC Limited, at their respective meetings held on May 25, 2021 changed the designation of Mr. Vinod Rai as Non-Independent Non-Executive Director from Independent Non Executive Director on the Board of IDFC Limited with immediate effect & up to May 22, 2023 subject to approval of the Shareholders of the Company. At the 24th AGM of the Company held on September 22, 2021, proposal for an appointment of Mr. Vinod Rai as Non-Independent Non-Executive Director on the Board of IDFC Limited did not receive the requisite votes, Mr. Vinod Rai vacated the office with immediate effect. The Board places on record its sincere appreciation for his long association and valuable contribution to IDFC.

The Nomination and Remuneration Committee and the Board of Directors of IDFC Limited, at their respective meetings held on May 25, 2021 also proposed the appointment of Dr. Jaimini Bhagwati (DIN: 07274047) and Mr. Anil Singhvi (DIN: 00239589) as Additional Directors in the category of Independent Director of the Company with immediate effect for a consecutive period of 3 (three) years. The Shareholders of the Company at its 24th AGM held on September 22, 2021, approved the appointment of Dr. Jaimini Bhagwati and Mr. Anil Singhvi as Independent Directors of the Company for a period of 3 years. The Board of Directors at its meeting held on December 22, 2021, approved appointment of Mr. Anil Singhvi as the Chairman of the Board with immediate effect.

The Nomination and Remuneration Committee and the Board of Directors of IDFC Limited, at their respective meetings held on October 30, 2021 and November 09, 2021, proposed the appointment of Ms. Anita Belani (DIN: 01532511) as an Additional Director in the category of Independent Director of the Company with immediate effect for a consecutive period of 3 (three) years, subject to the approval of Shareholders.

On February 06, 2022, the Shareholders of IDFC through postal ballot had approved the appointment of Ms. Anita Belani as an Independent Director of the Company for a consecutive period of 3 (three) years.

The Board of Directors of IDFC Limited at its Meeting held on August 14, 2019 had appointed Ms. Ritu Anand as an Additional Director in the category of Independent Director w.e.f. August 16, 2019. At the 22nd AGM held on September 30, 2019, the Shareholders of the Company had approved her appointment as an

Independent Director for a period of three (3) consecutive years w.e.f. August 16, 2019 till August 15, 2022. Accordingly, Ms. Ritu Anand has completed her term of 3 (three) consecutive years at the close of business hours on August 15, 2022 and hence, ceased to be an Independent Director of the IDFC Limited.

The Nomination and Remuneration Committee and the Board of Directors of IDFC, at their respective meetings held on August 24, 2022 accepted the resignation of Mr. Mahendra N Shah as Company Secretary and Compliance Officer of IDFC at the close of business hours on August 24, 2022. The Board also approved appointment of Mr. Mahendra N Shah (DIN: 00124629) as Managing Director - Designate of the Company with immediate effect. The term of Mr. Sunil Kakar (DIN: 03055561) as Managing Director & CEO of the Company will end on September 30, 2022. Mr. Mahendra N Shah will be the Managing Director of the Company w.e.f. October 01, 2022 till September 30, 2023 subject to approval of the shareholders of IDFC and other applicable statutory/ regulatory approvals. The Board also appointed Ms. Shivangi Mistry as the Company Secretary and Compliance Officer of the Company w.e.f. August 25, 2022.

FRAMEWORK FOR APPOINTMENT OF DIRECTORS

The Company has in place a framework for Board Diversity, Fit & Proper Criteria and Succession Planning for appointment of Directors on the Board of the Company.

DECLARATION OF INDEPENDENCE

The Company has received a declaration from all IDs that they meet the criteria of independence specified under Section 149 of the Act, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of SEBI LODR Regulations for holding the position of ID and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Act. Pursuant to Companies (Accounts) Amendments Rules, 2019 Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 dated 22nd October, 2019, all Independent Directors on the Board of the Company completed registration on Data Bank.

SPECIAL BUSINESS

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

i. Appointment of Mr. Mahendra N Shah (DIN: 00124629) as the Managing Director of the Company.

SHAREHOLDERS' UPDATE BOARD AND ITS COMMITTEES

During the year, 17 Board Meetings and 5 Audit Committee Meetings were held. The Audit Committee was reconstituted on August 24, 2022, on cessation of Ms. Ritu Anand as an Independent Director of the Company w.e.f. August 15, 2022. The Committee is chaired by Mr. Anil Singhvi (DIN: 00239589) and has Mr. Ajay Sondhi (DIN: 01657614) and Ms. Anita Belani (DIN: 01532511) as its Members. All the recommendations made by the Audit Committee during the year were accepted by the Board. The details of the constitution and meetings of the Board, Audit Committee and other Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

BOARD EVALUATION

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

NOMINATION & REMUNERATION COMMITTEE / REMUNERATION POLICY

The Company has a policy in place for identification of independence, qualifications and positive attributes of Directors. IDFC has put in place a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management

and Other Employees. The remuneration of the Executive Director and KMPs is recommended by NRC to the Board for its approval.

AUDITORS

STATUTORY AUDITORS

At the 24th AGM of the Company held on September 22, 2021, the Shareholders had approved the appointment of KKC & Associates LLP (previously, Khimji Kunverji & Co LLP), Chartered Accountants, (FRN 105146W/W100621) as Statutory Auditors for a period of 3 years to hold office from the conclusion of the 24th AGM till the conclusion of the 27th AGM of the Company. KKC has confirmed that they are not disqualified from continuing as Statutory Auditors of the Company for FY22-23.

COST AUDIT

In terms of the Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company is not required to undertake cost audit.

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 Bhandari & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for FY22. The Secretarial Audit Report is appended as **Annexure 3.** There are no qualifications or observations or adverse remarks made by the Statutory Auditors and Secretarial Auditors in their respective reports.

COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the Secretarial Standard-I issued by the Institute of Company Secretaries of India pertaining to Board of Directors, the Company confirms that all applicable Secretarial Standards have been duly complied with during the period under review.

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. The Audit Reports of Internal Auditors i.e. M/s Grant Thornton India LLP("GT") along with their recommendations and implementation contained therein are regularly reviewed by the Audit Committee.

GT verified the key Internal Financial Control by reviewing key controls impacting financial reporting and overall risk management procedures of the Company and found the same satisfactory. Subsequently, it was placed before the Audit Committee of the Company.

RISK MANAGEMENT POLICY

IDFC as a group, has a robust risk management practice that enables it to book, manage and mitigate risks in all its businesses. The Company has a comprehensive Enterprise Risk Management framework which has been adopted across all entities in the group and 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 group on a regular basis. The details of Risk Management Framework are provided in Management Discussion and Analysis.

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 FY22 and the date of this Board's report.

INSTANCES OF FRAUD 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

During the year under review, there were no significant and material orders passed by the Regulators / Courts / Tribunals.

PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY

During the year under review, the Company has not made any application nor any proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

ANTI SEXUAL HARASSMENT POLICY

The Company has in place the policy on Anti Sexual Harassment. The Company undertakes ongoing trainings to create awareness on this policy. There were no instances of Sexual Harassment that were reported during the period under review. The Company has constituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment.

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:
In that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- In 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, 2022 and of the Profit of the Company for the year ended on that date;
- In 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;
- In that the annual financial statements have been prepared on a going concern basis;
- In that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- In 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 e-mail Ids are registered with the Company and / or the Depository Participants. Your Directors are thankful to the Shareholders for their active participation in this Green Initiative.

ANNUAL RETURN

The Annual Return of the Company has been placed on the website of the Company www.idfclimited.com in compliance with the provisions of section 134(3)(a) read with section 92(3) and the Rules made thereunder.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility ("CSR") was re-constituted on June 09, 2021. Dr. Jaimini Bhagwati was inducted as the Chairman of the CSR Committee w.e.f. June 09, 2021. The CSR Committee consists of three Directors:

i. Dr. Jaimini Bhagwati (DIN: 07274047), Chairman
ii. Mr. Ajay Sondhi (DIN: 01657614), Member
iii. Mr. Sunil Kakar (DIN: 03055561), Member

The disclosure of contents of the Corporate Social Responsibility Policy of the Company as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 forms part of the Board's Report and appended as **Annexure 4**.

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 i.e. www.idfclimited.com. In all related party transactions that were entered into during the financial year, an endeavor was made consistently that they were on an arm's length basis and were in the ordinary course of business. IDFC has always been committed to good corporate governance practices, including matters relating to Related Party Transactions.

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. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover of the Company as per the last audited financial statements, were entered during the year by your Company.

EMPLOYEE STOCK OPTION SCHEME

Pursuant to the resolution passed by the Members through Postal Ballot dated June 25, 2016, IDFC introduced IDFC Employee Stock Option Scheme, 2016 ("IDFC ESOS 2016") to enable the employees of IDFC and its subsidiaries to participate in the future growth and financial success of the Company.

The Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

Pursuant to IDFC Employee Stock Option Scheme 2016 (ESOS), the Company, on May 10, 2021, has granted to an employee 12,00,000 options equivalent to 12,00,000 equity shares at a strike price of Rs. 53.60 per equity share. The vesting period and exercise period will be as per the said ESOS scheme.

The Company determines the fair value of options using the Black Scholes model which considers the exercise price, the term of the option, share price at grant date, expected price volatility, dividend yield and risk-free interest rate for the term of the option. The fair value so determined is charged to profit & loss account as employee benefit expense over the vesting period of the grant. Disclosures as required under the SEBI (Share Based Employee Benefits Regulations, 2014, are hosted on the Company's website: www.idfclimited.com which forms part of this Annual Report.

ACKNOWLEDGEMENTS

We are grateful to the Government of India, State Governments, RBI, SEBI, Stock Exchanges, various Ministries and other domestic and overseas regulatory bodies for their continuous collaboration and support. We would like to thank all our Shareholders, Banks 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 at all levels of the Group.

FOR AND ON BEHALF OF THE BOARD
IDFC LIMITED

ANIL SINGHVI
Independent Non-Executive Chairman
New Delhi
August 24, 2022

ANNEXURE 1

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 SUBSIDIARY COMPANIES	CAPITAL	RESERVES	TOTAL ASSETS	TOTAL LIABILITIES
1	IDFC Financial Holding Company Limited	9,029.24	418.94	9,504.77	56.59
	(Previous Year)	9,029.24	127.53	9,251.54	94.77
2	IDFC Asset Management Company Limited	2.68	215.62	358.96	140.66
	(Previous Year)	2.68	376.81	488.96	109.47
3	IDFC Alternatives Limited	0.22	305.99	312.31	6.10
	(Previous Year)	0.22	273.35	273.96	0.39
4	IDFC IEH Conservative Fund	43.14	(0.57)	42.93	0.37
	(Previous Year)	32.75	(1.13)	32.09	0.47
5	IDFC Foundation	13.00	(1.29)	13.04	1.33
	(Previous Year)	13.00	32.98	57.23	11.25
6	IDFC AMC Trustee Company Limited	0.05	0.42	0.55	0.08
	(Previous Year)	0.05	0.28	0.38	0.05
7	IDFC Trustee Company Limited	0.05	0.47	0.53	0.01
	(Previous Year)	0.05	0.49	0.56	0.01
8	IDFC Projects Limited	85.55	(179.66)	0.45	94.56
	(Previous Year)	85.55	(179.60)	0.39	94.44
9	IDFC Investment Managers (Mauritius) Limited ^	4.31	(4.00)	0.36	0.05
	(Previous Year)	4.31	(3.48)	0.87	0.05
10	IDFC Securities Limited (till June 10, 2020)	-	-	-	-
	(Previous Year)	-	-	-	-
11	IDFC IEH Tactical Fund (till March 16, 2021)	-	-	-	-
	(Previous Year)	-	-	-	-
12	IDFC Capital (Singapore) Pte. Ltd. (till February 24, 2021)	-	-	-	-
	(Previous Year)	-	-	-	-
13	IDFC Capital (USA) Inc. (till June 10, 2020)	-	-	-	-
	(Previous Year)	-	-	-	-
14	IDFC Securites Singapore Pte. Ltd (till June 10, 2020)	-	-	-	-
	(Previous Year)	-	-	-	-

^ Exchange rate as on March 31, 2022

Closing Rate : 1 USD = ₹ 75.81

Average Rate : 1 USD = ₹ 74.43

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

Rs. IN CRORE

INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	OTHER COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME	PROPOSED DIVIDEND (%)	% OF SHAREHOLDING	
							PREFERENCE	EQUITY
9,284.34	340.24	333.82	42.41	-	291.41	-	-	100%
9,245.81	61.62	55.74	11.94	-	43.80	-	-	100%
256.98	397.91	233.59	57.60	0.87	176.86	-	-	99.96%
379.83	347.84	190.99	47.96	0.99	144.02	-	-	99.96%
184.39	-	41.34	8.70	-	32.64	-	-	100%
130.85	-	16.86	13.29	-	3.57	-	-	100%
38.37	1.74	0.50	(0.12)	-	0.63	-	-	69.54%
11.56	1.11	(0.12)	0.40	-	(0.52)	-	-	91.60%
10.00	5.71	(34.29)	-	0.02	(34.27)	-	-	100%
38.84	9.53	(5.81)	3.50	0.12	(9.19)	-	-	100%
-	0.60	0.18	0.05	ß	0.13	-	-	100%
-	0.30	0.09	0.02	(0.01)	0.06	-	-	100%
-	-	(0.03)	(0.01)	-	(0.02)	-	-	100%
-	-	(0.03)	ß	-	(0.03)	-	-	100%
-	-	(0.11)	(0.05)	-	(0.06)	-	-	100%
-	-	(0.11)	0.02	-	(0.13)	-	-	100%
-	-	(0.53)	-	-	(0.53)	-	-	99.96%
-	-	(0.46)	-	-	(0.46)	-	-	99.96%
-	-	-	-	-	-	-	-	0%
-	6.19	(4.12)	(0.29)	-	(3.82)	-	-	0%
-	-	-	-	-	-	-	-	0%
-	0.35	(2.57)	-	-	(2.57)	-	-	0%
-	-	-	-	-	-	-	-	0%
-	ß	(0.05)	-	-	(0.05)	-	-	0%
-	-	-	-	-	-	-	-	0%
-	0.42	0.03	-	-	0.03	-	-	0%
-	-	-	-	-	-	-	-	0%
-	-	(0.13)	-	-	(0.13)	-	-	0%

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)
Mumbai, May 20, 2022

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)
Mumbai, May 20, 2022

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)
Mumbai, May 20, 2022

Mahendra N. Shah
Company Secretary
(ACS: 4222)
Mumbai, May 20, 2022

ANNEXURE 1

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 B ASSOCIATES AND JOINT VENTURES

SR. NO.	NAME OF ASSOCIATES/JOINT VENTURES	IDFC FIRST BANK LIMITED	IDFC FIRST BHARAT LIMITED
1	Latest audited Balance Sheet Date	March 31, 2022	March 31, 2022
2	The date since when Associate/Joint Ventures was acquired	October 21, 2014	October 13, 2016
3	Shares/Units of Associate/Joint Ventures held by the company on the year end		
	Numbers of shares/units	2,268,937,489	2,231,998
	Amount of Investment in Associates/Joint Venture	8,354.46	232.40
	Extend of Holding %	36.49%	36.49%
4	Description of how there is significant influence	Associate (see note 1)	Associate (see note 1)
5	Reason why the associate/joint venture is not consolidated	NA	NA
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	7,372.28	28.93
7	Profit / (Loss) for the year		
	i. Considered in Consolidation	139.95	(5.62)
	i. Not Considered in Consolidation	-	-

(i) Names of associates or joint ventures which have been liquidated or sold during the year.
- Uttarakhand Infrastructure Development Company Limited (Under Liquidation) - joint venture of IDFC Foundation is under liquidation.

Note 1: IDFC FIRST Bank Limited and IDFC FIRST Bharat Limited are Associates of IDFC Financial Holding Company Limited. IDFC FIRST Bank Limited is considered as an associate under IndAS 28. Further, IDFC FIRST Bharat Limited is a 100% subsidiary of IDFC FIRST Bank Limited.

Note 2: Delhi Integrated Multi Modal Transit System Limited and Infrastructure Development Corporation (Karnataka) Limited are Joint Ventures of IDFC Foundation. IDFC Foundation, being a Section 8 company, prohibits payment of dividend and repatriation of capital back to shareholders, accordingly, the net realizable value for the Holding Company of the said asset which is held for sale is considered as Nil and the figures for the year ended March 31, 2022 are net of write down of ₹ 105.60 crore which was the carrying value of these JV entities.

Note 3: Jetpur Somnath Tollways Private Limited is an Associate Company of IDFC Projects Limited.

Note 4: Losses to the extent of investment in Associate have already been fully absorbed, so entity is no more consolidated.

Rs. IN CRORE

JETPUR SOMNATH TOLLWAYS PRIVATE LIMITED	NOVOPAY SOLUTIONS PRIVATE LIMITED	DELHI INTEGRATED MULTI - MODAL TRANSIT SYSTEM LIMITED	INFRASTRUCTURE DEVELOPMENT CORPORATION (KARNATAKA) LIMITED ("IDECK")
March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
January 11, 2011	March 6, 2017	March 23, 2011	March 23, 2011
42,637,400	227,145	73,045	4,948,505
132.19	35.62	14.73	15.48
26.00%	23.83%	50.00%	49.49%
Associate (see note 3)	Associate	Associate (see note 2)	Associate (see note 2)
See note 4	See note 4	See note 2	See note 2
6.36	2.01	50.07	42.97
-	-	-	-
(0.82)	(0.03)	(10.23)	(2.33)

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)
Mumbai, May 20, 2022

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)
Mumbai, May 20, 2022

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)
Mumbai, May 20, 2022

Mahendra N. Shah
Company Secretary
(ACS: 4222)
Mumbai, May 20, 2022

ANNEXURE 2

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 and as amended from time to time

i. **The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year.**
The ratio of the remuneration of MD & CEO to the median remuneration of the employees of IDFC Limited for FY22 was 11x.

ii. **The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year**
MD & CEO – NIL
CFO – NIL
CS – NIL

iii. **The percentage increase in the median remuneration of employees in the financial year**
The median pay increase for eligible employees was 0.5%.

iv. **The number of permanent employees on the rolls of the Company.**
There were 6 employees of the Company as on March 31, 2022.

v. **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;**
Average percentile increase for Managerial Personnel for the last financial year was NIL. Average percentile increase for employees other than the Managerial Personnel for the last financial year was 9%. The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel as per the Act 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.

vi. **Affirmation that the remuneration is as per the remuneration policy of the Company.**
We confirm.

Note: The Non-Executive Directors of the Company are entitled for sitting fee and commission as per the statutory provisions and within the limits approved by the Shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

ANNEXURE 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2022

[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
CIN: L65191TN1997PLC037415

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IDFC LIMITED (hereinafter called "the Company"). 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2022** 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 March 31, 2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent of provisions dealing with client and referring to the Companies Act, 2013;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

 # The Regulations or Guidelines, as the case may be were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Company are given below:

vi. Reserve Bank of India Guidelines for Licensing of New Banks in the Private Sector, 2013.
vii. Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

We have also examined compliance with the applicable clauses of the following:
i. Secretarial Standards issued by the Institute of Company Secretaries of India.
ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ["Listing Regulations"].

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable. However, the Company did not have requisite number of directors on its Board during the periods from March 26, 2021 to May 24, 2021 and September 23, 2021 to November 08, 2021 as required under Regulation 17(1)(c) of Listing Regulations.

We further report that -

Subject to the foregoing, 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.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, 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.

During the period under review, decisions of the Board of Directors of the Company were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

ANNEXURE 3

SECRETARIAL AUDIT REPORT (contd.)

For the Financial Year Ended 31st March 2022

[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]

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 undertaken following events/actions in order to simplify corporate structure and maximize value for shareholders of the Company:

i. The Board of Directors of the Company and the board of directors of IDFC Financial Holding Company Limited at their respective meetings held on September 17, 2021, approved the divestment of its mutual fund business i.e. IDFC Asset Management Company Limited along with IDFC AMC Trustee Company Limited subject to requisite regulatory approvals, as applicable.

ii. The Scheme of Amalgamation of IDFC Alternatives Limited (Transferor Company-1), IDFC Trustee Company Limited (Transferor Company-2) and IDFC Projects Limited (Transferor Company-3), (wholly owned subsidiary companies) with the Company (Transferee Company) under Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 was approved by its Members through Postal Ballot on February 06, 2022.

iii. The Boards of Directors of the Company and the board of directors of IDFC Financial Holding Company Limited at their respective meetings held on December 30, 2021 have given "In-principle" approval for the proposed merger of the Company and IDFC Financial Holding Company Limited with IDFC FIRST Bank Limited.

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

Manisha Maheshwari
Partner
ACS No: 30224;
C P No. : 11031
Mumbai | August 24, 2022
ICSI UDIN: A030224D000837228

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

ANNEXURE 3

SECRETARIAL AUDIT REPORT (contd.)

For the Financial Year Ended 31st March 2022

[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]

ANNEXURE A - TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

To,
The Members,
IDFC Limited
CIN: L65191TN1997PLC037415

Our Secretarial Audit report for the Financial Year ended March 31, 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records 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 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. Whereever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

Manisha Maheshwari
Partner
ACS No: 30224; CP. No: 11031
Mumbai | August 24, 2022
ICSI UDIN: A030224D000837228

ANNEXURE 3A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

To,
The Members
IDFC Limited
4th Floor, Capitale Tower,
555 Anna Salai,
Thiru vi kudiyiruppu,
Teynampet, Chennai,
Tamil Nadu 600018.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IDFC Limited** having **CIN: L65191TN1997PLC037415** and having registered office at 4th Floor, Capitale Tower, 555 Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet, Chennai, Tamil Nadu - 600018 (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C, Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended **March 31, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR. NO.	NAME OF THE DIRECTOR	DIN	DATE OF APPOINTMENT
1	Mr. Anil Singhvi	00239589	May 25, 2021
2	Dr. Jaimini Bhagwati	07274047	May 25, 2021
3	Ms. Ritu Anand	05154174	August 16, 2019
4	Ms. Anita Belani	01532511	November 09, 2021
5	Mr. Ajay Sondhi	01657614	November 08, 2019
6	Mr. Sunil Kakar	03055561	July 16, 2017

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

Manisha Maheshwari
Partner
ACS No.: 30224
C P No. : 11031
Mumbai | August 24, 2022
ICSI UDIN: A030224D000837558

ANNEXURE 3B

SECRETARIAL COMPLIANCE REPORT

For the financial year ended March 31, 2022

In terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by the Securities & Exchange Board of India

To,
The Board of Directors
IDFC Limited

We, Bhandari & Associates, Company Secretaries have examined:

a) all the documents and records made available to us and explanation provided by **IDFC Limited** ("the Listed Entity"),
b) the filings/ submissions made by the Listed Entity to the stock exchanges,
c) website of the Listed Entity,
d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2022 in respect of compliance with the provisions of:
   a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
   b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder including the provisions of SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019, in terms of Para 6(A) and 6(B) of the said circular;

 # The Regulations or Guidelines, as the case may be were not applicable for the period under review.

and based on the above examination, we hereby report that, during the Review Period-

(a) The Listed Entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

SR. NO	COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULARS / GUIDELINES INCLUDING SPECIFIC CLAUSE)	DEVIATIONS	OBSERVATIONS/ REMARKS OF THE PRACTICING COMPANY SECRETARY
1.	Regulation 17 of the Listing Regulations: Board of Directors (1) The composition of board of directors of the listed entity shall be as follows: c) The board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors.	The Listed Entity did not have requisite number of directors on its Board during the periods from March 26, 2021 to May 24, 2021 and September 23, 2021 to November 08, 2021.	Government of India, Ministry of Finance, withdrew its 02 (two) Nominee Directors from the Board of the Listed Entity on March 25, 2021, pursuant to which the number of directors on the Board reduced from 06 (six) to 04 (four). However, the Listed Entity appointed 02 (two) directors on May 25, 2021 in compliance with the Listing Regulations. Since the proposal for appointment of Mr. Vinod Rai as Non-Independent, Non-Executive Director on the Board did not receive approval from the requisite number of shareholders in the 24th Annual General Meeting of the Listed Entity held on September 22, 2021, Mr. Vinod Rai ceased to be a Director on the Board with immediate effect. Due to the same, the number of directors on the Board of the Listed Entity reduced from 06 (six) to 05 (five). However, the Listed Entity appointed 01 (one) director on November 09, 2021 in compliance with the Listing Regulations.

ANNEXURE 3B

SECRETARIAL COMPLIANCE REPORT (contd.)

For the financial year ended March 31, 2022

In terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by the Securities & Exchange Board of India

(b) The Listed Entity has maintained proper records under the provisions of the above regulations and circulars/ guidelines issued thereunder so far as it appears from our examination of those records.

(c) The following are the details of actions taken against the Listed Entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

SR. NO.	ACTION TAKEN BY	DETAILS OF VIOLATION	DETAILS OF ACTION TAKEN E.G. FINES, WARNING LETTER, DEBARMENT, ETC.	OBSERVATIONS/ REMARKS OF THE PRACTICING COMPANY SECRETARY, IF ANY.
			NONE	

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

SR. NO.	OBSERVATIONS OF THE PRACTICING COMPANY SECRETARY IN THE PREVIOUS REPORTS	OBSERVATIONS MADE IN THE SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED	ACTIONS TAKEN BY THE LISTED ENTITY, IF ANY	COMMENTS OF THE PRACTICING COMPANY SECRETARY ON THE ACTIONS TAKEN BY THE LISTED ENTITY
1	Prior to 25th March 2021, the Company had six Directors on the Board, which was in compliance with Regulation 17(1)(c) of SEBI LODR Regulations 2015 and all Committees of the Company were duly constituted as per the relevant provisions of SEBI LODR Regulations and the Companies Act 2013. On 25th March 2021, the Company has received a letter from the Government of India, Ministry of Finance, Department of Financial Services intimating the withdrawal of nomination of Mr. Anshuman Sharma (DIN:- 07555065) and Mr. Soumyajit Ghosh (DIN:-07698741) as Nominee Directors from the Board of Directors of the Company with immediate effect. Pursuant to the immediate withdrawal of nomination of two Directors, the number of directors on the Board of the Company has reduced from six directors to four directors. Pursuant to Regulation 17(1)(c) of the SEBI (LODR) Regulations, the Board shall comprise of not less than six directors.	March 31, 2021	The Board of Directors at its meeting held on 25th May 2021 have appointed Dr. Jaimini Bhagwati (DIN:-07274047) and Mr. Anil Singhvi (DIN:-00239589) as Additional Directors in the category of Independent Directors, subject to receipt of other regulatory approvals. Hence, the Company has complied with the requirements of Regulation 17(1)(c) of SEBI LODR Regulations, 2015 within the prescribed timelines and the composition of the Board is in compliance with the said SEBI LODR Regulations, 2015 as on the date of this Report.	None

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

Manisha Maheshwari
Partner
FCS No.: 30224; C P No. : 11031
Mumbai | May 20, 2022
ICSI UDIN: A030224D000354119

ANNEXURE 4

CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. **Brief outline on CSR Policy of the Company.**

The CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully 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 activities.

During the year, IDFC carried out CSR activities through 5 NGO's incorporated under the Section 8 of the Act, 2013 (erstwhile Section 25 of the Companies Act, 1956). Details of these NGO's are given below:

i. Goonj
ii. Social Action for Manpower Creation (SAMPARC)
iii. YosAid
iv. IIMPACT
v. Indian Cancer Society.

The object of the CSR activities would seek to –

(a) serve the poor, marginalised and underprivileged

(b) be sustainable

(c) meet needs of the larger community and society

(d) promoting healthcare including preventive healthcare

(e) promoting education

(f) disaster relief

The above mentioned 5 NGOs represent public charitable organization registered with appropriate authorities, there is no economic interest flowing to any Board member / trustee and undertook the following CSR activities which fall within the ambit of the activities listed in Schedule VII of the Act.

2. **Composition of CSR Committee:**

SR. NO.	NAME OF DIRECTOR *	DESIGNATION / NATURE OF DIRECTORSHIP	NUMBER OF MEETINGS OF CSR COMMITTEE HELD DURING THE YEAR	NUMBER OF MEETINGS OF CSR COMMITTEE ATTENDED DURING THE YEAR
1.	Dr. Jaimini Bhagwati	Chairman	1	1
2.	Mr. Ajay Sondhi	Member	1	1
3.	Mr. Sunil Kakar	Member	1	1

*The Corporate Social Responsibility (CSR) Committee was re-constituted on June 09, 2021. As on date, the CSR Committee consists of three Directors namely, Dr. Jaimini Bhagwati as the Chairman, Mr. Ajay Sondhi and Mr. Sunil Kakar as its Members.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.idfclimited.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable as the Company's average CSR obligation has not more than Rs. 10 crore in the three immediately preceding financial year as per Section 135 (5) of the Act.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

SR. NO.	FINANCIAL YEAR	AMOUNT AVAILABLE FOR SET-OFF FROM PRECEDING FINANCIAL YEARS (IN RS. CR.)	AMOUNT REQUIRED TO BE SETOFF FOR THE FINANCIAL YEAR, IF ANY (IN RS. CR.)
1	NA	NA	NA
TOTAL			

CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONTD.)

6. Average net profit of the company as per section 135(5): - Rs. 31.91 Crore

7. (a) Two percent of average net profit of the company as per section 135(5): - Rs. 0.64 Crore

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c). Rs. 0.64 Crore

8. (a) CSR amount spent or unspent for the financial year:

TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR. (IN ₹ CR.)	AMOUNT UNSPENT (IN ₹ CR.)				
	TOTAL AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT AS PER SECTION 135(6).		AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECOND PROVISO TO SECTION 135(5).		
	AMOUNT	DATE OF TRANSFER	NAME OF THE FUND	AMOUNT	DATE OF TRANSFER
0.64	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SR. NO.	NAME OF THE PROJECT	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII TO THE ACT.	LOCAL AREA (YES/ NO).	LOCATION OF THE PROJECT		PROJECT DURATION	AMOUNT ALLOCATED FOR THE PROJECT (IN ₹ CR.)	AMOUNT SPENT IN THE CURRENT FINANCIAL YEAR (IN ₹ CR)	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT FOR THE PROJECT AS PER SECTION 135(6) (IN ₹ CR).	MODE OF IMPLEMEN-TATION - DIRECT (YES/NO).	MODE OF IMPLEMENTATION - THROUGH IMPLEMENTING AGENCY	
				STATE	DISTRICT						NAME	CSR REGISTRATION NUMBER
1.	Dignity for Work	Rural development projects	No	Pan India	Pan India	1 year	0.10	0.10	Nil	No	Goonj	CSR00000291
2.	Construction of Jodhpur Study Room, Counseling Room and Library Room with one Toilet	promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially an andeconomically backward groups; economically backward groups;	Yes	Rajas-than	Jodhpur	1 year	0.15	0.15	Nil	No	SAMPARC	CSR00003752

CORPORATE SOCIAL RESPONSIBILITY (CSR) (CONTD.)

	Support for 5 Children of SAMPARC Bhaje, Poynad, and Shel-Pimpalgaon Center	promoting education, including special education and employment enhancing vocation skillsespecially among children, women, elderly, and the differently abled and livelihood enhancement-projects;	Yes	Maharashtra	Pune & Raigad	1 year	0.02	0.02	Nil	No	SAMPARC	CSR00003752
3.	Health care initiatives	Promoting health care including-prventive health	Yes	Karnataka	Bangalore	1 Year	0.17	0.17	Nil	No	YosAid	CSR00000713
4.	Development of Statistics on Cancer Incidence & Mortality in Mumbai, Pune, Nagpur & Aurangabad	Preventive Health Care	Yes	Maharashtra	Mumbai	1 Year	0.10	0.10	Nil	No	Indian Cancer Society	CSR00000792
5.	IIMPACT Girl Child Education Program	Promoting education among children / women, promoting gender equality, empowering women	Yes	Bihar, Jharkh and, Odisha, West Bengal, Uttar Pradesh, Rajasthan, Himachal Pradesh, Madhya Pradesh, Chattisgarh, Uttarakhand, Haryana	Sheopur, Pakur, Kandhamal, Uttarkashi, Raigarh, Rajsamand, Prayagraj, Sirmaur, Tehri Garhwal, Puruliya, Bankura, Mewat Alwar, Murshidabad, Bundi, Hardwar, Dehradun, South 24 Parganas, Mirzapur, Karauli, Kanpur Nagar, Kanpur Dehat, Patna, Kheri, Shahjahanpur, Hardoi, Khargone, Banswara, Purnia, Kishanganj, Madhubani, Udham Singh, Nagar, Saharanpur	1 Year	0.10	0.10	Nil	No	IIMPACT	CSR00002935
	TOTAL						**0.64**	**0.64**				

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SR. NO.	NAME OF THE PROJECT	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII TO THE ACT.	LOCAL AREA (YES/ NO).	LOCATION OF THE PROJECT.		AMOUNT SPENT FOR THE PROJECT (IN ₹ CR.)	MODE OF IMPLEMENTATION - DIRECT (YES/NO).	MODE OF IMPLEMENTATION - THROUGH IMPLEMENTING AGENCY	
				STATE.	DISTRICT.			NAME	CSR REGISTRATION NUMBER
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA
	TOTAL								

(d) Amount spent in Administrative Overheads: - Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 0.64 Crore

(g) Excess amount for set off, if any: Nil

SR. NO.	PARTICULAR	AMOUNT (IN RS. CR)
(i)	Two percent of average net profit of the company as per section 135(5)	0.64
(ii)	Total amount spent for the Financial Year	0.64
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding the financial years:

SR. NO.	PRECEDING FINANCIAL YEAR	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT UNDER SECTION 135 (6) (IN RS. CR.)	AMOUNT SPENT IN THE REPORTING FINANCIAL YEAR (IN RS. CR.)	AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER SECTION 135(6), IF ANY.			AMOUNT REMAINING TO BE SPENT IN SUCCEEDING FINANCIAL YEARS. (IN RS. CR.)
				NAME OF THE FUND	AMOU-NT (IN RS. CR.)	DATE OF TRANSFER	
1.	NA	NA	NA	NA	NA	NA	NA
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1) SR. NO.	(2) PROJECT ID.	(3) NAME OF THE PROJECT	(4) FINANCIAL YEAR IN WHICH THE PROJECT WAS COMMENCED	(5) PROJECT DURATION	(6) TOTAL AMOUNT ALLOCATED FOR THE PROJECT (IN ₹ CR.).	(7) AMOUNT SPENT ON THE PROJECT IN THE REPORTING FINANCIAL YEAR (IN ₹ CR.)	(8) CUMULATIVE AMOUNT SPENT AT THE END OF REPORTING FINANCIAL YEAR. (IN ₹ CR.)	(9) STATUS OF THE PROJECT - COMPLETED / ONGOING
1.	NA	NA	NA	NA	NA	NA	NA	Ongoing
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**.

    (a) Date of creation or acquisition of the capital asset(s): NA

    (b) Amount of CSR spent for creation or acquisition of capital asset.: NA

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).: NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Mr. Sunil Kakar
Managing Director & CEO
Mumbai: August 26, 2022

Dr. Jaimini Bhagwati
Chairman of CSR Committee
New Delhi: August 24, 2022

MANAGEMENT DISCUSSION & ANALYSIS

Business environment during the fiscal continued to remain challenging with Covid19 rearing its head through the third wave, inflationary headwinds forcing regulators across the world to raise interest rates and tighten liquidity and geopolitical tensions further exacerbating challenges by disrupting supply chains and constraining availability of resources globally. During the fiscal India navigated these challenges well and in the coming years, with abatement of these macro headwinds hopefully, the India growth story should gain further momentum and be back on track.

IDFC LIMITED

Current Status

Post demerger of Financing Undertaking into IDFC FIRST Bank, IDFC Limited ("IDFC") is registered with the Reserve Bank of India as an NBFC - I. It has negligible business operations and it holds investments in IDFC FIRST Bank and IDFC Asset Management Company Limited (IDFC AMC) through its wholly owned subsidiary IDFC Financial Holding Company Limited (IDFC FHCL). IDFC FHCL owns 36.49% in IDFC FIRST Bank and 99.96% in IDFC AMC. IDFC and IDFC FIRST Bank are two listed entities of IDFC Group and IDFC AMC is an unlisted entity. During the year, the standalone Balance Sheet size increased from INR 9,303.78 crore as on March 31, 2021 to INR 9,358.51 crore as on March 31, 2022. Profit after tax and other comprehensive income was higher at INR 21.86 crore for FY 2021-22 as compared to INR 8.87 crore in FY 2020-21. Net worth of the Company increased from INR 9,261.10 crore as on March 31, 2021 to INR 9,284.77 crore as on March 31, 2022.

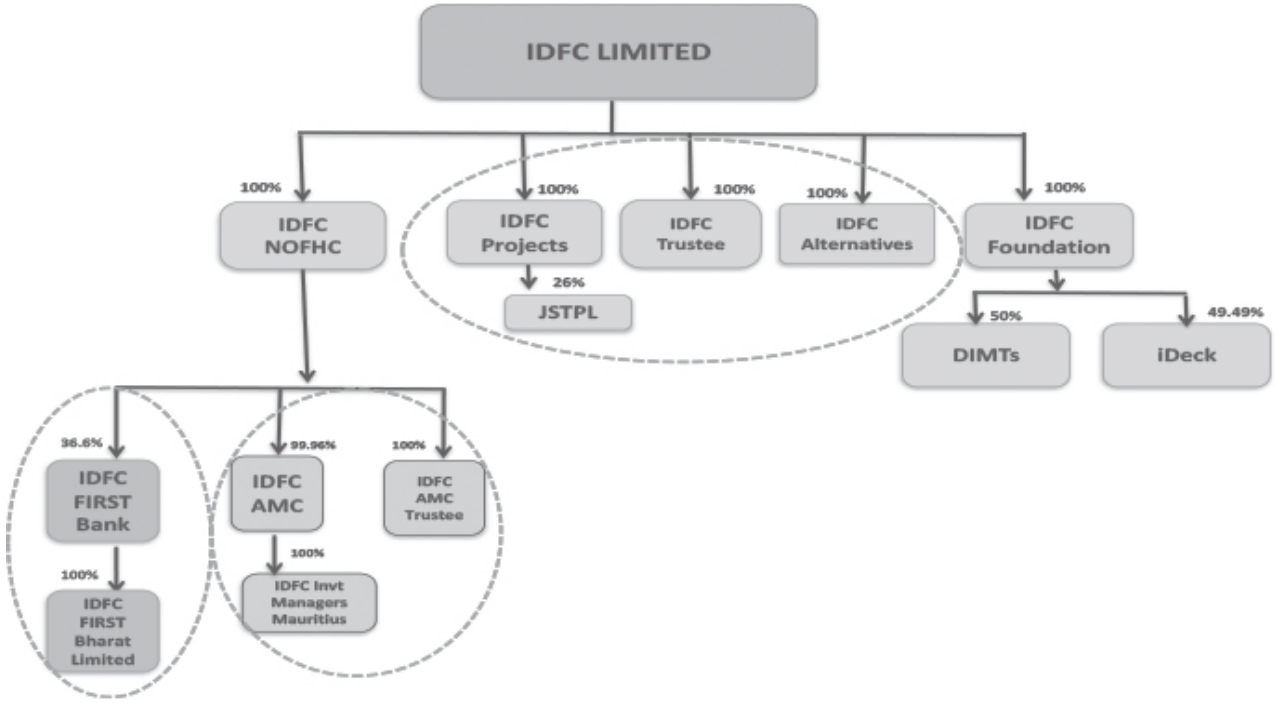
CORPORATE SIMPLIFICATION AND CREATING VALUE FOR SHAREHOLDERS

Our corporate structure in the beginning of the fiscal was as given in the next page:

In continuation of our journey of simplifying corporate structure, following steps were taken during the year:

- ✔ Liquidation of IDFC Securities Singapore Pte Ltd.
- ✔ Application of merger of IDFC Alternatives, IDFC Projects and IDFC Trustee Company were filed in December 2021 and we are awaiting the final order from NCLT.
- ✔ Sustained and rigorous efforts to divest our stake in the two joint ventures i.e. Delhi Integrated Multi-Modal Transit System (DIMTS) and Infrastructure Development Corporation (Karnataka) Limited (IDeCK) with the state governments of Delhi and Karnataka respectively were undertaken.

IDFC Limited Corporate Structure



- ✔ IDFC Institute, a division of IDFC Foundation, was substantially wound-up during the fiscal.
- ✔ Process to sell IDFC Asset Management Company (AMC) was initiated in October 2021 by appointing Citigroup Global Markets India Private limited as the investment banker and saw its culmination with the signing of a share purchase agreement (SPA) with the Bandhan consortium (Bandhan Bank, GIC and Chrys Capital) in April 2022. The sale witnessed participation from existing players and marquee investors interested in entering the Indian AMC industry. Notwithstanding macro and geopolitical headwinds during the last quarter of the fiscal, the AMC sale transaction was concluded efficiently in a time bound manner and at a valuation comparable to the best in the industry (valuation of INR 4,500 crores net of cash subject to terms and conditions). The sale is subject to various regulatory approvals.
- ✔ Post completion of above, the corporate structure would be largely simplified.
- ✔ The Boards of IDFC, IDFC FHCL and IDFC FIRST Bank accorded in-principle approval to the prospective merger of the two entities subject to necessary regulatory and other approvals.
- ✔ An interim dividend of INR 1/- per share was declared and paid to IDFC shareholders in May 2022.

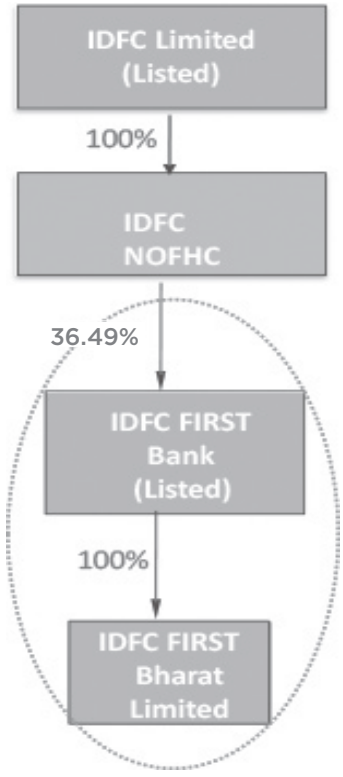
OVERVIEW OF GROUP COMPANIES

IDFC FIRST Bank

Key Highlights of FY 2021-22

Our bank was focused on creating a strong platform during the initial years by consolidating and strengthening the balance sheet through growing assets at a calibrated pace and hastening deposit growth. On merger of Capital First and IDFC Bank, the loan book was INR 1,04,660 crore and retail deposits were INR 10,400 crore. We moderated overall loan growth during initial years (loan growth CAGR of 6% during FY19 to FY22) and grew deposits as a faster pace (retail deposits CAGR of 72%). This phase

IDFC Limited Simplified Corporate Structure



IDFC FIRST BANK: KEY HIGHLIGHTS OF FY 2021-22

Area	Key Parameters	FY21	FY22	Growth (%/bps)
Assets	Funded Assets	Rs. 1,17,127 Cr	Rs. 1,31,951 Cr	13% ▲
	Retail Funded Assets	Rs. 65,300 Cr	Rs. 83,740 Cr	28% ▲
Deposits	Customer Deposits	Rs. 82,725 Cr	Rs. 93,214 Cr	13% ▲
	Average CASA Ratio (%)	41.50%	49.88%	838 bps ▲
Asset Quality	Asset Quality (GNPA, NNPA) (%)	4.15%, 1.86%	3.70%, 1.53%	45 bps, 33 bps ▼
	Retail & Commercial (GNPA, NNPA) (%)	4.01%, 1.90%	2.63%, 1.15%	138 bps, 75 bps ▼
Capital	Capital Adequacy Ratio (%)	13.77%	16.74%	297 bps ▲
Profitability	Net Interest Margin (%)	5.03%	5.96%	93 bps ▲
	Cost to Income* (%) - Q4	84.18%	76.18%	800 bps ▼
	Core Operating Profit* - FY	Rs. 1,909 Cr	Rs. 2,753 Cr	44% ▲
	Core Operating Profit* – Q4	Rs. 405 Cr	Rs. 836 Cr	106% ▲
	Profit After Tax - FY	Rs. 452 Cr	Rs. 145 Cr	-68% ▼
	Profit After Tax - Q4	Rs. 128 Cr	Rs. 343 Cr	168% ▲

**Excluding trading gain*

focused on consolidation is now complete. A strong foundation has been built to launch into a growth phase focused on profitability and asset quality from here on.

Financials

Profit & Loss Account

Our bank demonstrated a strong growth in operating profits. While our loan book grew by only 13% year-on-year (YoY), core operating profit rose by 44% from INR 1,909 crores in FY 2020-21 to INR 2,753 crores in FY 2021-22. This establishes the higher profitability of our incremental business. We are also witnessing strong improvement in operating leverage. We

IDFC FIRST Bank: Balance Sheet

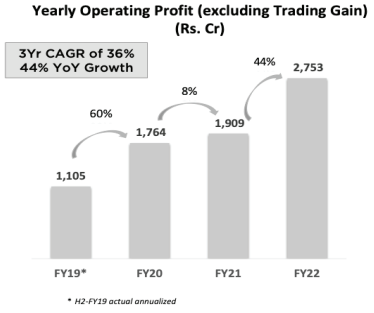
In Rs. Crore	Mar-21	Dec-21	Mar-22	Growth (%) (YoY)
Shareholders' Funds	17,808	20,649	21,003	18%
Deposits	88,688	92,765	105,634	19%
- CASA Deposits	45,896	47,859	51,170	11%
- Term Deposits	42,792	44,906	54,464	27%
Borrowings	45,786	50,792	52,963	16%
Other liabilities and provisions	10,861	10,027	10,581	-3%
Total Liabilities	**163,144**	**174,232**	**190,182**	**17%**
Cash and Balances with Banks and RBI	5,828	17,567	15,758	170%
Net Funded Assets	111,758	116,422	124,075	11%
- Net Retail Funded Assets	73,812	83,837	91,093	23%
*- Net Wholesale Funded Assets**	37,946	32,585	32,983	-13%
Investments	36,719	31,550	41,544	13%
Fixed Assets	1,266	1,333	1,361	7%
Other Assets	7,572	7,360	7,443	-2%
Total Assets	**163,144**	**174,232**	**190,182**	**17%**

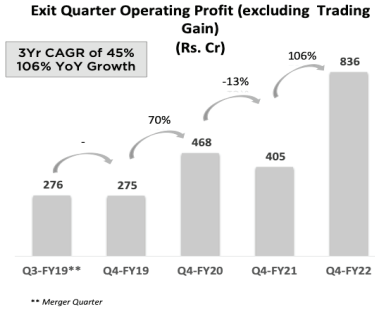
**Includes credit investments (Non-Convertible Debentures, RIDF, PTC, SRs and Loan Converted into Equity)*

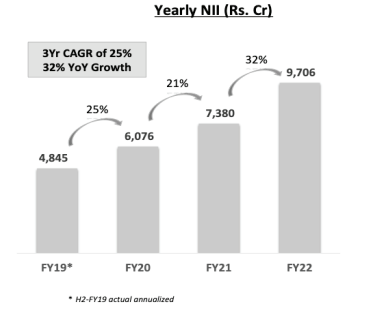
IDFC FIRST BANK: Profit & Loss Account

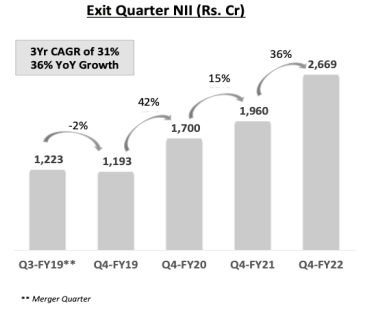
In Rs. Crore	FY21	FY22	Growth (%) YoY
Interest Income	15,968	17,173	8%
Interest Expense	8,588	7,467	-13%
Net Interest Income	**7,380**	**9,706**	**32%**
Fee & Other Income	1,622	2,691	66%
Trading Gain[1]	1,162[2]	531	-54%
Operating Income	**10,164**	**12,928**	**27%**
Operating Income (Excl Trading Gain)	**9,002**	**12,397**	**38%**
Operating Expense	7,093	9,644	36%
Operating Profit (PPOP)	**3,071**	**3,284**	**7%**
Operating Profit (Ex. Trading gain)	**1,909**	**2,753**	**44%**
Provisions[1]	2,595[2]	3,109	20%
Profit Before Tax	**476**	**175**	**-63%**
Tax	24	30	26%
Profit After Tax	**452**	**145**	**-68%**

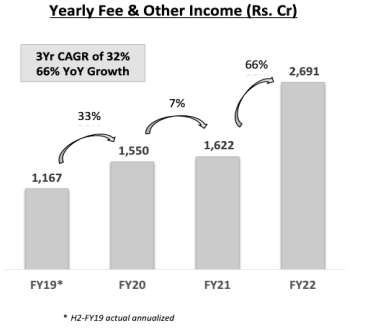
1.As per the RBI guidelines dated 30th Aug, 2021, provisions/write-back for mark-to market depreciation on investments in AFS and HFT has been classified under "Other Income", prior period numbers are reclassed accordingly
2.During FY21, there was a provision release of Rs. 573 crore on account of sale of investments in two large financial institutions, resulting into an equivalent amount of loss, the provisions and the Trading Gain for FY21 mentioned above are gross of these transactions.

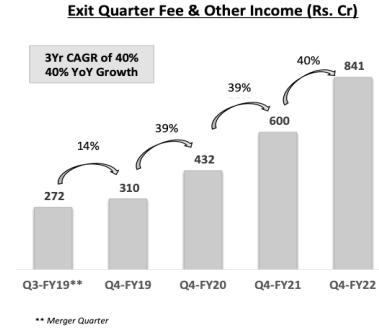












expect these to continue to play out over the next few years, resulting in increased overall profitability and ROE.

Our fee income is well diversified. We have developed multiple streams of fee income including but not limited to fastag, cash management, wealth management, wholesale loans, retail loans, insurance distribution and mutual fund distribution. Retail fees constitutes 84% of total fee income which indicates granularity and sustainability.

Our net profit was INR 343 crores in Q4 FY 2021-22 driven by core operational income. Due to three specific factors i.e. legacy high-cost liabilities; retail branch/ ATM/ liabilities set-up expenses; and set-up costs for our credit card business, there is a net profit impact of ~INR 500 crores/ quarter. This is coming down every quarter.

Our incremental unit economics are strong with NIM over 6% and incremental Return on Equity (RoE) on retail lending between 18-20% after adjusting for credit costs and tax.

Funded Assets

Funded assets grew by 13% from INR 1,17,127 crore as on March 31, 2021 to INR 1,31,951 crore as on March 31, 2022.

IDFC FIRST Bank: Funded Assets

Funded Assets (In Rs. Crore)[1]	Mar-21	Dec-21	Mar-22	Growth YoY%
Retail Book	**65,300**	**75,547**	**83,740**	**28%**
- Home Loan	9,276	11,979	14,106	52%
- Loan Against Property	16,491	17,351	18,142	10%
- Wheels	9,771	10,041	11,037	13%
- Consumer Loans	13,949	15,829	17,429	25%
- Rural Finance[2]	11,523	11,957	12,955	12%
- Digital, Gold Loan and Others	3,862	6,729	8,059	109%
- Credit Card	428	1,662	2,013	370%
Commercial Finance[3]	**10,104**	**10,505**	**11,637**	**15%**
Wholesale Funded Assets	**41,723**	**36,167**	**36,574**	**-12%**
- Corporate	22,499	21,647	23,676	5%
- Infrastructure	10,808	8,051	6,891	-36%
- Others[4]	8,416	6,470	6,007	-29%
Total Funded Assets	**117,127**	**122,219**	**131,951**	**13%**

Note:
1. The figures above are gross of Inter-Bank Participant Certificate (IBPC) transactions.
2 Rural Finance includes funding to Self Help Groups, Kisan Credit Cards and Small Enterprise loans.
3. Commercial Finance includes Business Loans, Commercial Vehicle loans and Trade Advances.
4. Others include Security Receipts, Loan converted into Equity, PTC and RIDF.

Our Bank has reduced concentration risk significantly and the share of top 10 borrowers in overall lending has come down materially.

The growth in the retail and the commercial book has been strong and consistent over the last few years.

Further, the retail and commercial book is well diversified.

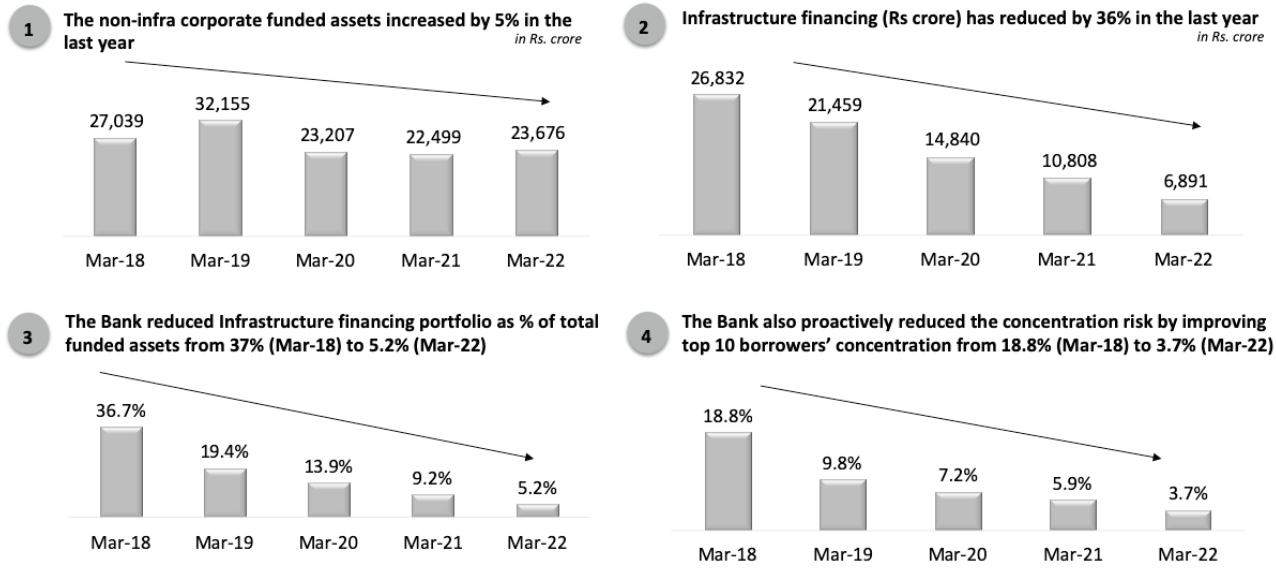
Liabilities

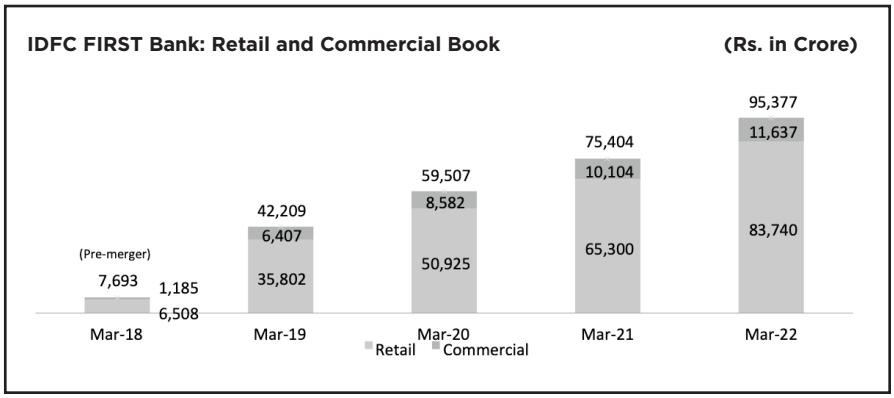
Our bank has demonstrated strong capability to raise deposits based on our strong brand, customer first products and excellent service. Our retail deposits grew by INR 54,820 crore to reach INR 68,035 crore in just three years.

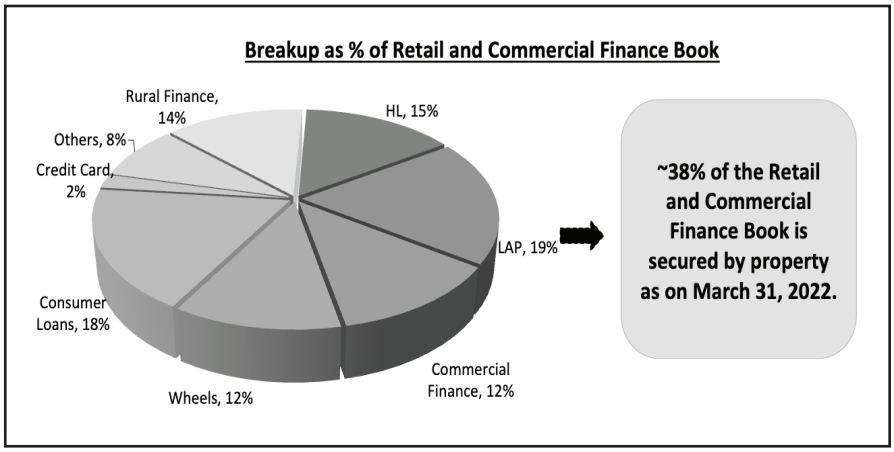
We have built a strong CASA base of ~50% which is best in class in the industry. In absolute terms, we have grown CASA by ~INR 42,000 crore in three years that demonstrates our capability.

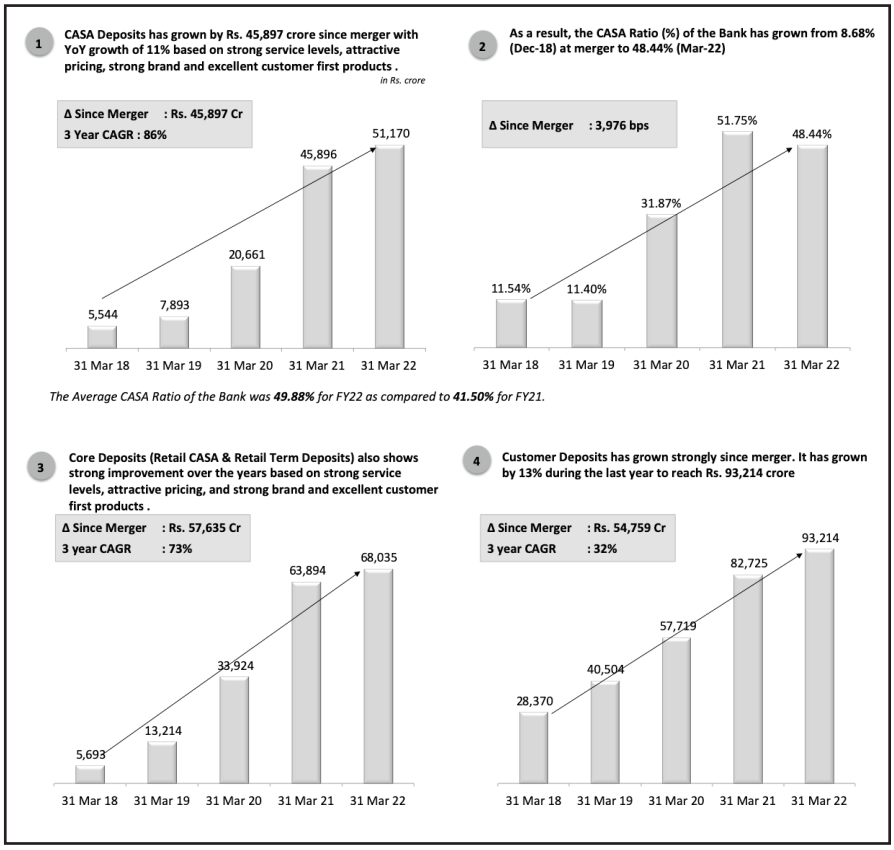
Our strong growth in retail deposits has

IDFC FIRST Bank: Concentration Risk



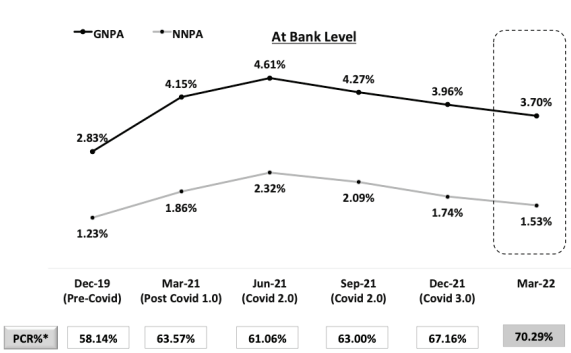

IDFC FIRST Bank: Retail and Commercial Book
(Rs. in Crore)
(Pre-merger)
7,693
1,185
6,508
42,209
6,407
35,802
59,507
8,582
50,925
75,404
10,104
65,300
95,377
11,637
83,740
Mar-18
Mar-19
Mar-20
Mar-21
Mar-22
Retail
Commercial


Breakup as % of Retail and Commercial Finance Book
Rural Finance, 14%
HL, 15%
Others, 8%
Credit Card, 2%
LAP, 19%
Consumer Loans, 18%
Commercial Finance, 12%
Wheels, 12%
~38% of the Retail and Commercial Finance Book is secured by property as on March 31, 2022.


1
CASA Deposits has grown by Rs. 45,897 crore since merger with YoY growth of 11% based on strong service levels, attractive pricing, strong brand and excellent customer first products .
in Rs. crore
Δ Since Merger : Rs. 45,897 Cr
3 Year CAGR : 86%
5,544
7,893
20,661
45,896
51,170
31 Mar 18
31 Mar 19
31 Mar 20
31 Mar 21
31 Mar 22
2
As a result, the CASA Ratio (%) of the Bank has grown from 8.68% (Dec-18) at merger to 48.44% (Mar-22)
Δ Since Merger : 3,976 bps
11.54%
11.40%
31.87%
51.75%
48.44%
31 Mar 18
31 Mar 19
31 Mar 20
31 Mar 21
31 Mar 22
The Average CASA Ratio of the Bank was 49.88% for FY22 as compared to 41.50% for FY21.
3
Core Deposits (Retail CASA & Retail Term Deposits) also shows strong improvement over the years based on strong service levels, attractive pricing, and strong brand and excellent customer first products .
Δ Since Merger : Rs. 57,635 Cr
3 year CAGR : 73%
5,693
13,214
33,924
63,894
68,035
31 Mar 18
31 Mar 19
31 Mar 20
31 Mar 21
31 Mar 22
4
Customer Deposits has grown strongly since merger. It has grown by 13% during the last year to reach Rs. 93,214 crore
Δ Since Merger : Rs. 54,759 Cr
3 year CAGR : 32%
28,370
40,504
57,719
82,725
93,214
31 Mar 18
31 Mar 19
31 Mar 20
31 Mar 21
31 Mar 22

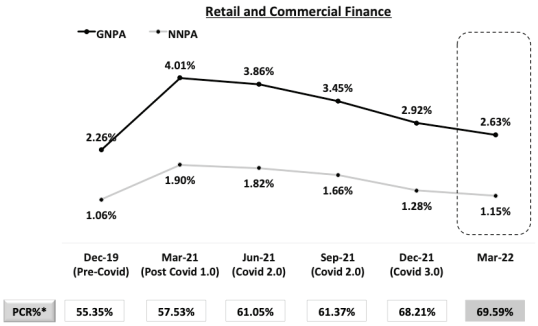
Strong growth in retail deposits has reduced the dependence on wholesale deposits and has provided greater stability to the liability side

In Rs. Crore	Mar-21	Dec-21	Mar-22	YoY%
Legacy Long Term Bonds	7,892	7,311	6,663	-16%
Legacy Infra Bonds	9,508	9,357	9,111	-4%
Refinance	15,438	16,561	16,407	6%
Tier II Bonds	-	-	1,500	-
Other borrowings	7,618	5,749	5,701	-25%
Total Borrowings (A)	**40,456**	**38,978**	**39,382**	**-3%**
CASA	45,896	47,859	51,170	11%
Term Deposits	36,829	37,959	42,044	14%
Total Customer Deposits (B)	**82,725**	**85,818**	**93,214**	**13%**
Certificate of Deposits (C)	5,964	6,947	12,420	108%
Money Market Borrowings (D)	5,330	11,814	13,580	155%
Borrowings + Deposits (A)+(B)+(C)+(D)	**134,475**	**143,557**	**158,597**	**18%**
CASA Ratio (%)	51.75%	51.59%	48.44%	
Average CASA Ratio (Yearly)	41.50%	50.54%*	49.88%	



- The Asset Quality of the Bank has improved as compared to last quarter driven by the improvements in retail, commercial and corporate segments.
- PCR of the Bank excluding technical write-offs improved by **331 bps** to **59.54%** as on March 31, 2022 as compared to **56.23%** as on March 31, 2021.
- PCR including technical write-offs and excluding one large legacy road infrastructure account (toll) which moved to NPA in Q1-FY22 was at **77%** as on March 31, 2022
- Without the one legacy infrastructure (toll) NPA account as mentioned earlier, the GNPA and NNPA would have been **3.04%** and **1.02%**

Retail and Commercial Segment asset quality continues to improve sequentially.



- The GNPA and NNPA of Retail and Commercial Finance has improved by **29 bps** and **13 bps** respectively during the quarter.
- The lead indicators, including improvement in cheque bounces on first presentation, collection efficiency, and recovery rates point to lower NPA and lower credit losses going forward.
- Based on the portfolio analysis of the key indicators, the Bank expects to reduce Gross NPA and Net NPA to pre-COVID levels.

reduced our dependence on wholesale deposits and has provided greater stability to our liabilities.

Asset Quality

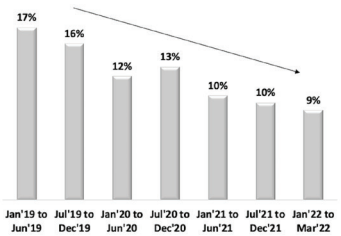
Asset quality has been stable. Overall asset quality of our bank continues to improve every quarter.

For retail and commercial loans, which dominate our book, GNPA and NNPA has reduced to 2.63% and 1.15%.
In retail loans, improving key input metrics are indicating lower delinquency and credit losses in future.

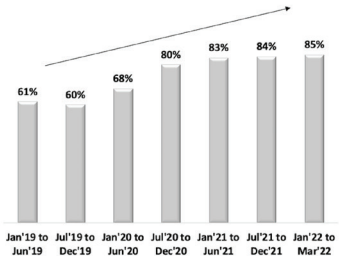
Asset quality of the non-infra corporate book too is stable. Our incremental wholesale lending is of high quality. We have sanctioned ~INR 17,500 crores of loans to new corporate clients since merger and there have been no negative surprises on credit quality of this book, so far.
Although credit issues in the infra book continue, infra as a % of total funded assets was 5.2% as on March 31, 2022 as against 9.2% as on March 31, 2021.
All legacy stressed accounts have either been provided for or already disclosed as NPA. We have sufficiently provided for all legacy stressed corporate and infrastructure loans.

In retail loans, key input Indicators are showing improvement, which points to lower delinquency and credit losses in future.

The bank has Improved quality of Sourcing as a result, New to Credit customers as % incremental bookings have reduced from 17% to 9%, indicating improved quality.



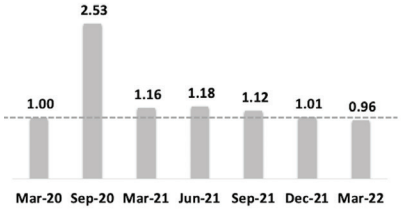
Similarly, the Customers having Bureau score > 700 has sharply improved from 61% to 85%.



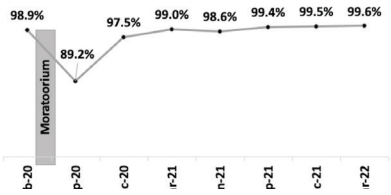
The Bank tracks its Asset Quality on a) Cheque Bounces on Portfolio b) Cheque bounces on new book c) collection on Cheque Bounces d) Recovery on NPA accounts e) Vintage Analysis of the Book

Key quality Indicators showing improvement which points to lower delinquency and credit losses in future. We are improving on all these points. The Bank is confident of meeting the guidance of 2:1:2, i.e. 2% GNPA, 1% NNPA and 2% of Credit Loss, in due course.

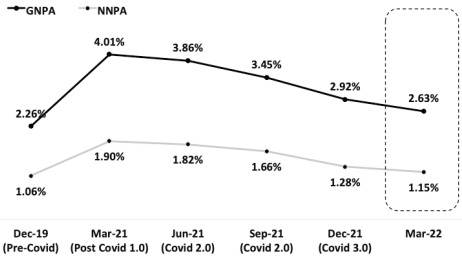
Early Bucket cheque Bounce Rates (on Principal Outstanding) is back to Pre-Covid (Mar-20) Levels (x) for urban retail.



Early Bucket Collection Efficiency (urban retail) has surpassed pre COVID levels (Feb 2020).



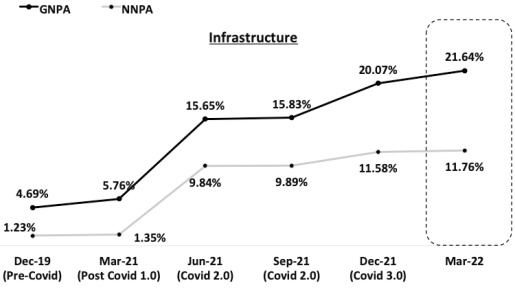
Retail and Commercial Finance



	Dec-19 (Pre-Covid)	Mar-21 (Post Covid 1.0)	Jun-21 (Covid 2.0)	Sep-21 (Covid 2.0)	Dec-21 (Covid 3.0)	Mar-22
PCR%*	55.35%	57.53%	61.05%	61.37%	68.21%	69.59%

- The GNPA and NNPA of Retail and Commercial Finance has improved by **29 bps** and **13 bps** respectively during the quarter.
- The lead indicators, including improvement in cheque bounces on first presentation, collection efficiency, and recovery rates point to lower NPA and lower credit losses going forward.
- Based on the portfolio analysis of the key indicators, the Bank expects to reduce Gross NPA and Net NPA to pre-COVID levels.

Infrastructure



	Dec-19 (Pre-Covid)	Mar-21 (Post Covid 1.0)	Jun-21 (Covid 2.0)	Sep-21 (Covid 2.0)	Dec-21 (Covid 3.0)	Mar-22
PCR%*	74.64%	77.66%	41.13%	41.67%	47.87%	51.73%

- Infrastructure book continues to decline as planned.
- The infrastructure book has shrunk from **Rs. 22,710 crores** at merger to just **Rs. 6,891 crore**. The GNPA has gone up primarily due to decline in the Infra book during the quarter.
- Excluding the Mumbai-based toll account, the GNPA and NNPA of the Infrastructure Finance would be **9.70%** and **1.62%** respectively with Provision coverage Ratio of **84.6%.**

In Rs. Crore	Mar-21	Dec-21	Mar-22
Common Equity	16,974	19,921	20,199
Tier 2 Capital Funds	647	740	2,525
Total Capital Funds	17,622	20,661	22,724
Total RWA	1,27,943	1,34,296	1,35,728
CET 1 Ratio (%)	13.27%	14.83%	14.88%
Total CRAR (%)	13.77%	15.38%	16.74%

- The Bank is sufficiently capitalized and well above the regulatory requirement for Capital Adequacy Ratio of 11.5%
- During Q4 FY22, the Bank mobilised maiden Tier II Bonds of Rs. 1,500 crore.

.. across varied customer segments including Consumers and MSMEs in different parts of India

Prime Home Loans: Starting at 6.9% to select Prime Salaried Customer of top corporates, Self-employed customers for buying house property.

Affordable Home Loans: Smaller ticket size home loans to salaried and self-employed customers for purchasing house property.

Loan Against Property: Long term loans to MSMEs after proper evaluation of cash flows; against residential or commercial property

New & Pre-owned Car Loan: To salaried and self-employed customers for purchasing a new car or a pre-owned car

Business Loans: Unsecured Loans to the self-employed individual or entity against business cash-flows

Personal Loans: Unsecured Loans to salaried and self-employed customers for fulfilling their financial needs

Consumer Durable Loans: financing to individuals for purchasing of LCD/LED panels, Laptops, Air-conditioners etc

Two Wheeler Loans: To the salaried and self-employed customers for purchasing new two wheelers

Micro Enterprise Loans: Loan solutions to small business owner

JLG Loan for Women: Sakhi Shakti loan is especially designed as the livelihood advancement for women, primarily in rural areas

Apart from these products, Bank also offers Working Capital Loans, Corporate Loans, Forex & trade for Business Banking and Corporate customers in India

Capital Adequacy

Our bank is strongly capitalized at 16.7% total Capital to Risk (weighted) Assets Ratio (CRAR).

Corporate Governance

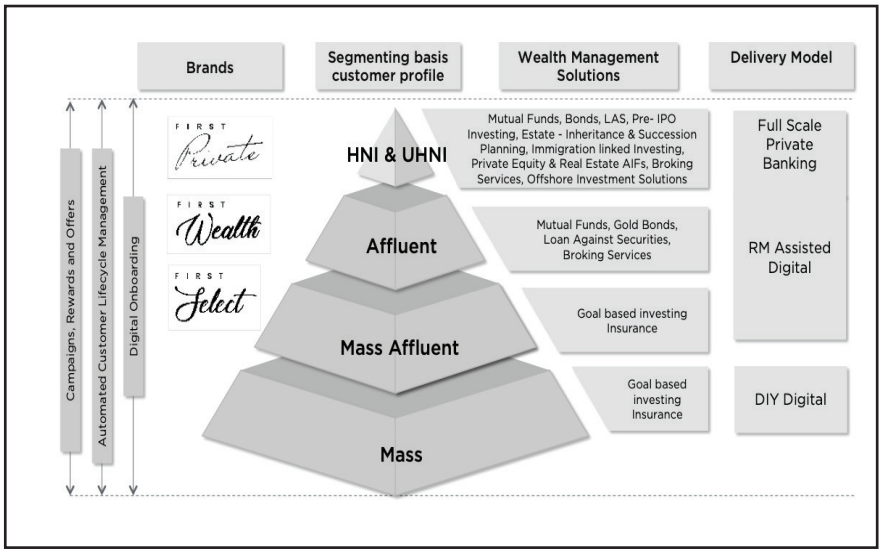
Eminent, qualified and experienced Board of Directors. All committees are headed by independent directors except Corporate Social Responsibility (CSR) which is headed by the MD&CEO.

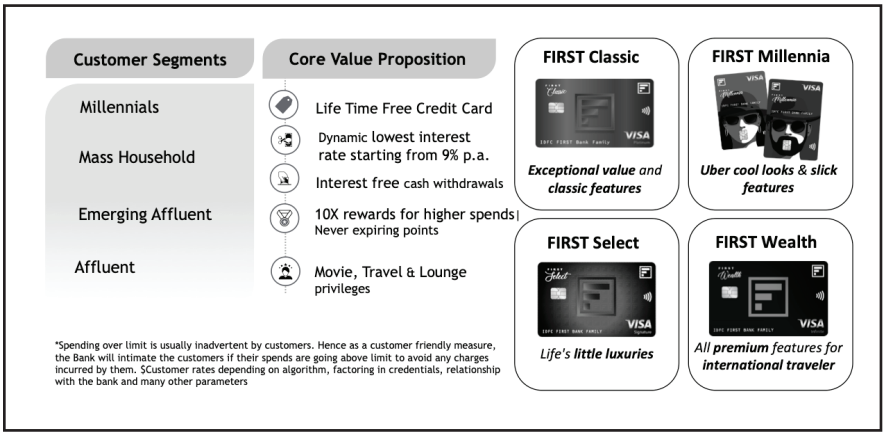
Customer First Approach

We have built our foundation on customer-first principles. We believe in transparency and not surprising our customer by billing customer fees or charges through fine-prints. For instance, we do not charge non-home branch charges, SMS update fees and IMPS fees. We were the first universal bank to offer monthly interest credit for savings accounts. In credit cards, we were the first bank to introduce low, dynamic pricing, zero interest rate on cash withdrawal till billing date, lifetime free credit cards and easy online redemption of rewards points.

Contemporary Technologies

Our bank continues to invest in laying a strong, modular and contemporary technology architecture that will enable efficiency, resilience, and growth. Our newly launched mobile app is top rated and provides several unique services and experiences to our customers.
Our bank continues to strengthen its capabilities of predictive analytics in areas including credit underwriting, portfolio management, collection strategy and fraud risk mitigation.





Key Features of the new App launched by us.

- Fast Payments with Beneficiary name validation
- UPI with linkage to any Bank Account
- Pay to Contacts
- ML based categorisation of transactions
- Income and Expense Analyser for Cash flow analysis
- Instant Online Loans (pre-approved)
- Instant Online Credit Cards (pre-approved)
- Ready to use virtual credit card
- In app Video calling
- Consolidated Investments Dashboard covering MF, Gold Bonds, Deposits, Alternate Investment Funds etc.
- ASBA facility
- 2 click MF investments
- 1 Click OD against FD
- Current Account and Personal Savings Accounts access within same App with single login
- Input and Approver management for MSME transactions

IDFC ASSET MANAGEMENT COMPANY

The financial year 2021-22 was an unprecedented year in many respects. The global economy was beset with headwinds such as the geopolitical shocks from the Russia-Ukraine conflict, elevated commodity prices, persistent inflationary pressures, supply bottlenecks, recurrent Covid-19 waves, and tightening of global financial conditions. While the fundamental of the Indian economy remained strong, developments abroad could delay Indian economic recovery post-Covid.

FY22 was a milestone year in the journey of IDFC AMC with the culmination of the divestment process of the AMC. To recall, in September 2021, IDFC Limited announced its intent to divest the AMC business for unlocking shareholder value. In early April 2022, following a rigorous bidding and due diligence process, the consortium of Bandhan Financial Holdings Limited (BFHL), GIC (Singapore's sovereign wealth fund), and ChrysCapital entered into a definitive agreement with IDFC Limited to acquire IDFC Limited's stake in IDFC AMC, subject to regulatory approvals and other closing conditions. The transaction envisages continuity in the management team and business plans of IDFC AMC.

Despite very challenging times IDFC AMC successfully grew its AAUM by over 8.5% to Rs. 115,000 crore in FY22 vs FY21. The AMC delivered strong growth in profits (+23% YoY) to Rs. 176 crore driven by higher AUM, margin improvement and proactive cost management.

Expanding its product basket, IDFC AMC launched its first international fund - the IDFC US Equity Fund of Fund. This fund is designed to offer investors an opportunity to invest in a growth-oriented portfolio of US listed stocks and benefit from geographical diversification. It also launched the IDFC Multi-Cap Fund, which is well-positioned to provide the combined benefit of higher growth potential from mid and small-cap stocks while aiming to reduce volatility through investments in large-cap stocks. The recent launch of the IDFC Nifty 100 Index Fund aims to create wealth for investors over the long term by efficiently replicating the Nifty 100 Index.

In line with its execution priorities, IDFC AMC continued to invest in its core capabilities to ensure that critical functions continued to work smoothly to serve clients without significant disruptions, while continuing to comply with evolving regulatory requirements. The Information Technology and Security infrastructure were also strengthened to protect systems from potential malware and cyber threats. As Covid-19 cases receded after the third wave, employees seamlessly moved back to work-from-office mode.

Continuing its focus on Investor Awareness initiatives, IDFC AMC launched several innovative campaigns. #PaisonKoRokoMat - one of its largest integrated campaigns - nudged investors to benefit from the growth potential of equity mutual funds. Later in the year, its innovative #InvestmentMeinNoEmotion campaign highlighted Balanced Advantage Funds for their potential role in helping manage behavioural dilemmas by encouraging investors to benefit from the growth potential of disciplined, long-term investing and not allowing emotions to cloud their judgement during volatile market conditions.

Effective enhancement of the knowledge and skills of employees and partners has been at the core of IDFC AMC's learning initiatives. IDFC's Learning Briefcase offered structured courses and interventions across core domain related areas (Equity, Debt, Macroeconomics, Financial Markets and Investment) as well as behavioural skills and insights helping business development. During the year, IDFC also launched the pioneering Prarambh program directed towards equipping the next generation of distributors and advisors with requisite technical and behavioural skill. The innovative Moneywise podcast brings forth leading industry experts to share their financial wisdom and expertise on topics related to investments. The initiative received a strong response and is now available for listeners across 16 platforms including the IDFC MF YouTube channel, Spotify, Amazon, Google and Apple Podcasts.

IDFC AMC is also registered as a Portfolio Manager with the Securities and Exchange Board of India ("SEBI"). It currently

offers the IDFC Neo Equity Portfolio, a PMS portfolio that incorporates Artificial Intelligence and Machine Learning into portfolio decisioning with an objective to outperform the BSE 200 Index. IDFC AMC also acts as an Investment Manager for IDFC India Equity Hedge Fund, a Category III Alternative Investment Fund. IDFC AMC offers IDFC IEH Conservative Fund, which seeks to generate absolute and uncorrelated returns to Indian equity markets with lower volatility.

As a responsible corporate citizen, IDFC AMC continued to fulfill its commitments to promote education for children from weaker sections of society and contributed to the fight against Covid-19 in partnership with leading NGOs. Additionally, on Women's Day over 30 employees volunteered to mentor college going girls and prepare these young women for leadership roles, thereby creating a wider talent pool for India Inc and helping bridge the gender divide.

RISK MANAGEMENT

IDFC Limited is a holding company for its various businesses. Wherever applicable, concerned businesses have a robust risk management practice in place to pro-actively identify and manage various types of risks, namely, credit, market and operational risks.

INTERNAL CONTROLS AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported correctly. Such internal controls are supplemented by a programme of internal audits, review by management and documented policies, guidelines and procedures. These are designed to ensure that financial and other records are reliable for preparing financial information and other reports and for maintaining regular accountability of the company's assets. The internal auditors present their report on a quarterly basis in operating companies and half yearly basis in holding companies to the audit committee of the respective boards.

HUMAN RESOURCES

IDFC had 6 employees as on March 31, 2022. IDFC has neglible operations only pertaining to corporate restructuring.

CORPORATE GOVERNANCE REPORT

PHILOSOPHY ON CORPORATE GOVERNANCE

Being a professionally run enterprise with no single promoter or promoter group, effective board oversight and sound Corporate Governance practices are fundamental to the quest of IDFC Limited ("IDFC" or "the Company") in delivering long-term value to all its stakeholders. Good Corporate Governance is intrinsic to the management of IDFC.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust. Therefore, it always seeks to ensure that its performance goals are met with integrity. By adopting such a framework as it does, IDFC is renowned for exemplary governance standards since inception and continues to lay a strong emphasis on appropriate and timely disclosures and transparency in its business dealings.

Corporate Governance is a continuous process at IDFC. Systems, policies and frameworks are regularly upgraded to meet the challenges of a dynamic external business environment.

BOARD OF DIRECTORS

The Board of Directors oversee the management functions to ensure that they are effective and enhance value for all the stakeholders. The Board's mandate inter alia is to have an oversight of the Company's strategic direction, to review corporate performance, assess the adequacy of risk management and mitigation measures, to authorize and monitor strategic investments/ divestments, to ensure regulatory compliance as well as high standards of governance and safeguard interests of all stakeholders.

COMPOSITION OF THE BOARD

The Board has an appropriate combination of Executive and Non-Executive Directors ("NEDs"), including Independent Directors ("IDs"). As on March 31, 2022, IDFC's Board consisted of 6 Directors, comprising of (i) Five IDs, including an Independent Non-Executive Chairman; (ii) A Managing Director & Chief Executive Officer ("MD & CEO"). The composition of the Board represents an optimal mix of professionalism, knowledge and experience across various fields viz. banking, global finance, accounting and economics which enable the Board to discharge its responsibilities and provide effective leadership to the business. None of the Directors of your Company are inter-se related to each other. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations ("SEBI LODR Regulations"), read with Section 149(4) of the Companies Act, 2013 ("Act") with the Company having Independent Non- Executive Chairman and more than one third of the Board comprising of IDs.

Table 1 gives details of the composition of the Board of Directors for FY22 including their Directorships and Memberships/ Chairpersonships of committees in other companies, along with details of the attendance at Board meetings and the Annual General Meeting ("AGM"), respectively.

The number of Directorships, Committee Memberships / Chairpersonships of all Directors is within respective limits prescribed under the Act and SEBI LODR Regulations. The details of the skills/ experience/expertise of the Directors are being given at the end of this report.

BOARD MEETINGS

The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the AGM. Additional meetings are held whenever necessary. The agenda and the explanatory notes are circulated in advance to the Directors. Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. Since the Board of IDFC includes Directors from various parts of the world, it may not be possible for each of them to be physically present at all the meetings. Hence, the Company makes use of video conferencing facility and other audio-visual means, whenever necessary, to enable larger participation of Directors in the meetings. Members of the Senior Management are invited to attend the Board Meetings to make presentations and provide additional inputs to the items under discussion. The Minutes of Board Meetings of subsidiary companies of IDFC are periodically tabled at the Company's Board Meetings. A statement of all significant transactions and arrangements entered into by the subsidiary companies is also placed before the Board. All the recommendations made by the Audit Committee during the year were accepted by the Board.

During FY22, the Board met 17 (Seventeen) times and the intervening period between two Board Meetings was well within the limit prescribed. The requisite quorum was present during all the meetings of the Board of Directors. The annual calendar of meetings is broadly determined at the beginning of each year. The Board Meetings were held on April 20, 2021; May 25, 2021; June 14, 2021; August 11, 2021; September 14, 2021; September

01 COMPOSITION OF BOARD OF DIRECTORS FOR FY22

NAME & CATEGORY OF THE DIRECTOR	NO OF BOARD MEETINGS HELD DURING TENURE AND ATTENDED IN FY22	WHETHER ATTENDED LAST AGM ON SEPT. 22, 2021	NO OF DIRECTORSHIP OF PUBLIC COMPANIES (INCLUDING IDFC)[1]	MEMBERSHIP, INCLUDING CHAIRMANSHIP OF COMMITTEES (INCLUDING IDFC)[2]	DIRECTORSHIP IN THE LISTED COMPANY
Independent Directors					
Mr. Vinod Rai[3]	6/6	YES	N.A.	N.A.	N.A.
Mr. Anil Singhvi[4]	15/15	YES	6	7 (including 4 chairmanship)	1. IDFC Limited 2. Shree Digvijay Cement Company Limited 3. Subex Limited
Dr. Jaimini Bhagwati[4]	15/15	YES	3	3	1. IDFC Limited 2. IDFC FIRST Bank Limited
Mr. Ajay Sondhi	17/17	YES	3	5	1. IDFC Limited 2. IDFC FIRST Bank Limited
Ms. Ritu Anand	17/17	YES	3	4	1. IDFC Limited
Ms. Anita Belani[5]	8/8	NO	6	7	1. IDFC Limited 2. Foseco India Limited 3. Redington India Limited
Managing Director & Chief Executive Officer					
Mr. Sunil Kakar	17/17	YES	4	N.A.	1. IDFC Limited

1. Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.
2. Includes only Audit Committee and Stakeholders' Relationship Committee.
3. Ceased to be Director w.e.f. September 22, 2021.
4. Appointed as an Independent Director w.e.f. May 25, 2021.
5. Appointed as an Independent Director w.e.f. November 09, 2021.

17, 2021; September 29, 2021; October 21, 2021; November 09, 2021; December 07, 2021; December 22, 2021; December 30, 2021; January 10, 2022; January 24, 2022; February 02, 2022; February 11, 2022; and March 22, 2022. Leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings.

INFORMATION PROVIDED TO THE BOARD

The Board agenda is prepared by the Company Secretary of the Company in consultation with the Chairman and MD & CEO of the Company. Meetings are governed by a structured agenda. The Board agenda and notes thereof are backed by comprehensive background information to enable the Board to take informed decisions and are sent to the Directors well in advance pursuant to the provisions of the Secretarial Standard – I and other applicable provisions of the Act and Rules made thereunder to enable them to peruse and comprehend the matters to be dealt with or seek further information / clarifications on the matter listed therein. The Board also passes resolutions by circulation on need basis, which are noted and confirmed in the subsequent Board Meeting.

The Board is presented with the information on financial results of the Company and its subsidiaries, various important matters of corporate restructuring undertaken by the Board, operations and business, annual operating plans, budgets, presentations of the subsidiary companies, minutes of the Audit and other Committees of the Board, appointment / cessation and remuneration of Senior Management and KMP, various policies adopted at IDFC and Group level, details of joint ventures or collaboration, if any, information on subsidiaries / associates, sale of investment and assets which are material in nature and not in ordinary course of business, foreign exposure, compliances of all the laws applicable to IDFC and non-compliance, if any and steps taken to rectify instances of non-compliances and other matters which are required to be placed before the Board.

With a view to leverage technology and reduce paper consumption, the Company has adopted electronic form for transmitting Board / Committee Agenda papers to Directors.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and help in delegating particular matters that require greater and more focused attention. The Board Committees are set up as per the provisions of the Act and / or SEBI LODR Regulations or as per the requirement of the Company. However, every Committee is under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairperson of the respective Committee informs the Board about the

02 ATTENDANCE DETAILS OF COMMITTEE MEETINGS FOR FY22

NAME OF THE MEMBER	AUDIT COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	RISK MANAGEMENT COMMITTEE	STAKEHOLDERS' RELATIONSHIP COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	STRATEGY & INVESTMENT COMMITTEE
Mr. Vinod Rai[1]	3/3	3/3	-	1/1	-	7/7
Mr. Anil Singhvi[2]	5/5	2/2	2/2	1/1	-	7/7
Dr. Jaimini Bhagwati[2]	2/2	2/2	2/2	1/1	1/1	7/7
Mr. Sunil Kakar	-	-	-	-	1/1	11/11
Mr. Ajay Sondhi	5/5	5/5	-	-	1/1	11/11
Ms. Ritu Anand	5/5	5/5	2/2	1/1	-	11/11
Ms. Anita Belani[3]	1/1	1/1	-	-	-	-

1. Ceased to be Director w.e.f. September 22, 2021.
2. Appointed as an Independent Director w.e.f. May 25, 2021
3. Appointed as an Independent Director w.e.f. November 09, 2021

summary of the discussions held in the Committee Meetings. The minutes of the meetings of these Committees are placed before the Board for its review. The Committees ensure that any feedback or observations made by them during the course of meetings form part of the Action Taken Report for their review at the next meeting. All Committees comprises of requisite number of IDs as prescribed by the Act or SEBI LODR Regulation or any other regulatory authority. The Board Committees also request special invitees to join the meetings of the Committees, wherever appropriate. The Company Secretary officiates as the Secretary to all the Committee Meetings. The composition of various committees of the Board is in line with the applicable regulations and is hosted on the website of the Company: www.idfclimited.com.

The Board has established the following statutory and non-statutory Committees.

A. Audit Committee
B. Nomination & Remuneration Committee
C. Risk Management Committee
D. Stakeholders' Relationship Committee
E. Corporate Social Responsibility Committee
F. Strategy and Investment Committee
G. IT Strategy Committee
H. Corporate Restructuring Committee
I. Allotment and Share Transfer Committee

Composition and Attendance of Directors at Committee Meeting(s) for FY22 are given in **Table 2**. Attendance is presented as number of meeting(s) attended (including meetings attended through electronic mode) out of the number of meeting(s) held during FY22.

A. AUDIT COMMITTEE

The Audit Committee comprises of three Members, consisting of all IDs. The Committee was re-constituted on August 24, 2022 on cessation of Ms. Ritu Anand as an Independent Director of the Company w.e.f. August 15, 2022. The Committee is chaired by Mr. Anil Singhvi and has Mr. Ajay Sondhi and Ms. Anita Belani as its Members with any two Members forming the quorum.

The Committee met five times during FY22. The time gap between two consecutive meetings was less than one hundred and twenty days. The dates of the Meetings were June 14, 2021; July 28, 2021; August 11, 2021; November 09, 2021 and February 11, 2022.

The Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors are generally invited to the Audit Committee Meetings. The Company Secretary of IDFC is the Secretary to the Audit Committee. The Minutes of the Audit Committee Meetings are circulated to the Members of the Board regularly and are taken note of. All Members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The role of the Audit Committee includes the following:

a. Oversight of the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
b. Recommending to the Board, the appointment, remuneration and terms of appointment if required, of the Statutory Auditors & the Internal Auditors ,the fixation of audit fees and Interim/Final Dividend.
c. Reviewing, with the Management, the annual financial statements and Auditors' Report before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements
d. Review performance and financials of subsidiary companies, including Investments made by them.
e. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
f. Reviewing the adequacy of internal audit carried out in the Company and wherever required, to review the scope, coverage and frequency of the internal audit and amend the same as per requirements.
g. The Audit Committee is also appraised on information with regard to related party transactions by being presented and having its views taken on. A statement in summary form of transactions with related parties in the ordinary course of business and carried out at arm's length basis.

03 CRITERIA FOR PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS

PARTICULARS	AMOUNT IN RS.
Fixed Remuneration for Member of the Board	700,000
Chairperson of the Board	700,000
Chairperson of the Audit Committee	200,000
Chairperson of Other Committees	100,000
Member of the Audit Committee	100,000
Member of Other Committees	50,000
Variable remuneration (Depending on attendance at Board Meetings)	300,000

h. Scrutiny of inter-corporate loans and investments.
i. Valuation of undertakings or assets of the company, wherever it is necessary.
j. Details of materially significant individual transactions with related parties which are not in the normal course of business.
k. Details of materially significant individual transactions with related parties or others, which are not on an arm's length basis along with Management's justification for the same, if any.
l. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
m. Evaluation of internal financial controls and risk management systems.
n. Monitoring the end use of funds raised through public offers and related matters.
o. Any other terms of reference as may be included from time to time in the Act, SEBI LODR Regulations, including any amendments / reenactments thereof from time to time.

B. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee ("NRC") was re-constituted on June 22, 2022. Ms. Anita Belani was inducted as the Chairperson of the NRC w.e.f. May 20, 2022. The NRC consists of 3 members namely, Ms. Anita Belani as the Chairperson, Mr. Anil Singhvi and Mr. Ajay Sondhi as its Members, all of whom are IDs. The quorum of the meeting is any two Members. The Committee met five times during the year on May 10, 2021; May 25, 2021; August 11, 2021; October 30, 2021 and March 22, 2022.

The role of NRC includes the following:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
b. Scrutinizing the nominations of the Directors with reference to their qualifications and experience, for identifying 'Fit and Proper' persons, assessing competency of the persons and reviewing compensation.
c. Formulation of criteria for evaluation of performance of every Director and the Board as a whole.
d. Devising a policy on Board diversity.
e. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal & shall carry out evaluation of every Director's performance.
f. Administering the Employee Stock Option Plan of the Company and determining eligibility of employees for stock options.
g. Compensation to KMPs and extension of their term.
h. Any other terms of reference as may be included from time to time in the Act, SEBI LODR Regulations, including any amendments / reenactments thereof from time to time.

REMUNERATION POLICY

IDFC pays remuneration to the Executive Director ("ED") by way of salary, perquisites including retirement benefits (fixed component) and a variable component based on the recommendation of the NRC and approval of the Board and the Shareholders of the Company. The Company has a Board approved Remuneration policy in place which is hosted on the website of the Company www.idfclimited.com.The Board has approved a corporate restructuring plan and the role of ED and senior management is to execute the same in a time bound manner. Remuneration is decided keeping this in mind..

The NEDs are paid remuneration by way of commission and sitting fees. Commission is paid as per the limits approved by the Shareholders of the Company at the 24th AGM held on September 22, 2021. The Commission is distributed on the basis of attendance and contribution made at the Board and Committee Meetings as well as Chairpersonship of the Committees.

The criteria for payment of commission to NEDs are given in **Table 3**. IDFC paid Rs. 63.25 Lacs as commission to its NEDs for FY22. The said amount is paid to the Directors, subject to deduction of tax. The Company has not granted any stock options to NEDs / IDs.
As on March 31, 2022, following NEDs hold equity shares in the Company:
1. Mr. Anil Singhvi: 2,00,000
2. Ms. Ritu Anand: 4,53,972

Table 4 gives details of remuneration paid to the Directors during FY22. The

04 DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS

AMOUNT IN Rs.

NAME OF THE DIRECTOR	DIN	SITTING FEES	SALARY & PERQUISITES	CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	COMMISSION PAID FOR FY 21	PAID DURING FY22 TOTAL
Mr. Vinod Rai[1]	00041867	8,25,000	-	-	21,50,000	29,75,000
Ms. Ritu Anand	05154174	19,50,000	-	-	14,50,000	34,00,000
Mr. Ajay Sondhi	01657614	19,00,000	-	-	13,00,000	32,00,000
Dr. Jaimini Bhagwati[2]	07274047	15,50,000	-	-	-	15,50,000
Mr. Sunil Kakar	03055561	-	3,55,41,356	41,53,560	-	3,96,94,916
Mr. Anil Singhvi[2]	00239589	15,75,000	-	-	-	15,75,000
Ms. Anita Belani[3]	01532511	6,75,000	-	-	-	6,75,000

1. Ceased to be Director w.e.f. September 22, 2021.
2. Appointed as Independent Director w.e.f. May 25, 2021
3. Appointed as Independent Director w.e.f. November 09, 2021

Company did not advance loans to any of its Directors during FY22. None of the Directors is entitled to severance fee and none of the NEDs held any stock options as at March 31, 2022. As per the current term of employment, the notice period of Mr. Sunil Kakar, MD & CEO is 3 months. None of the employees of the Company is related to any of the Directors of the Company.

C. RISK MANAGEMENT & IT STRATEGY COMMITTEE

The Board of Directors of IDFC at its meeting held on June 22, 2022, merged Risk Management Committee and IT Strategy Committee with immediate effect. The Committee was re-constituted on August 24, 2022 on cessation of Ms. Ritu Anand as Independent Director of the Company w.e.f. August 15, 2022. Ms. Anita Belani inducted as Chairperson w.e.f. August 24, 2022. The committee consists of 3 members namely Ms. Anita Belani as Chairperson and Mr. Anil Singhvi, Dr. Jaimini Bhagwati as its members with any two Members forming the quorum. The Risk Committee met two time during the year on June 14, 2021 and November 09, 2021.

IDFC has in place mechanism to inform the Board about its risk assessment and risk mitigation procedures with periodical reviews to ensure that the Management controls risk through a Board-approved properly defined framework. This is done through its Board-level RMC and it monitors and reviews risk management of the Company on a regular basis. The RMC reviews and monitors mainly three types of risks across the organisation: credit risk, market risk and operational risk and takes note of the Legal & Regulatory updates for all the Non-Bank Entities. The Chairperson of the Committee reports the findings/ observations of the Committee to the Board.

D. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee ("SRC") was re-constituted on June 22, 2022. The Stakeholders' Relationship Committee consists of three Directors - Mr. Anil Singhvi as the Chairman, Dr. Jaimini Bhagwati and Mr. Ajay Sondhi as its members with any two Members forming the quorum. The Committee met one time during the year on June 14, 2021.
The Committee is empowered to handle Shareholders' and other investors' complaints and grievances. The SRC considers and resolves the grievances of the equity Shareholders of the Company, including complaints related to transfer of equity shares, nonreceipt of annual report, non-receipt of declared dividends, etc. Additionally, it is responsible to perform any other function as stipulated by the Act, Reserve Bank of India, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws, as amended from time to time.

Additionally, Allotment and Share Transfer Committee ("ASTC") was reconstituted on June 09, 2021. Dr. Jaimini Bhagwati was inducted as the Chairman of the committee w.e.f. September 29, 2021. ASTC comprising of Dr. Jaimini Bhagwati as the Chairman, Mr. Sunil Kakar and Mr. Mahendra N Shah as members who look into share allotment, transfer, transmission, name deletion, transposition, re-materialisation and related applications received from Shareholders, with a view to accelerate the transfer procedures. The quorum for any meeting of this Committee is two Members. The Committee met two times during the year on June 01, 2021 and August 16, 2021.

Ms. Shivangi Mistry, the Company Secretary is designated as the Compliance Officer in terms of the SEBI LODR Regulations whose designated e-mail address for investor complaints is shivangi.mistry@idfclimited.com. All complaints received during the year have been redressed to the satisfaction of the Shareholders and none of them were pending as at the end of FY22.

Details of queries and grievances received and attended by the Company during FY22 are given in **Table 5.**

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") was re-constituted on June 09, 2021. Dr. Jaimini Bhagwati was inducted as the Chairman of the CSR Committee w.e.f. June 09, 2021. The CSR Committee consists of three Directors, Dr. Jaimini Bhagwati as the Chairman Mr. Ajay Sondhi and Mr. Sunil Kakar as its Members. The

05 NATURE OF COMPLAINTS RECEIVED AND ATTENDED DURING FY22

SR. NO.	NATURE OF COMPLAINT	PENDING AS ON APRIL 1, 2021	RECEIVED DURING THE YEAR	ANSWERED DURING THE YEAR	PENDING AS ON MARCH 31, 2022
1.	Non-receipt of Dividend warrants	NIL	2	2	NIL
2.	Non-receipt of Annual Report	NIL	NIL	NIL	NIL
3.	Complaints received from:				
	- SEBI	NIL	NIL	NIL	NIL
	- Stock Exchange	NIL	NIL	NIL	NIL
4.	Non-receipt of Refund	NIL	NIL	NIL	NIL
5.	Non-receipt of Electronic Credit(s)	NIL	NIL	NIL	NIL
6.	Non-receipt of Securities	NIL	NIL	NIL	NIL

quorum of the meeting is two Members. During the year one meeting was held on February 11, 2022.

The purpose of the Committee is to formulate and monitor the CSR policy of the Company which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and recommend the amount of expenditure to be incurred on these activities. A copy of the said CSR policy is placed on the website of the Company: www.idfclimited.com. Details of the CSR contribution made by IDFC during the year are given as **Annexure 4** to the Board's Report.

F. STRATEGY AND INVESTMENT COMMITTEE

The Strategy and Investment Committee was reconstituted on December 07, 2021. Ms. Anita Belani was inducted as Member of the Committee. The Strategy and Investment Committee consists of 6 members, namely Dr. Jaimini Bhagwati as the Chairman, Mr. Ajay Sondhi, Ms. Ritu Anand, Mr. Anil Singhvi, Mr. Sunil Kakar and Ms. Anita Belani as its members. The Board of Directors at its meeting held on June 22, 2022 decided to discontinue the said committee with immediate effect.

The Committee met eleven times during the year on April 06, 2021, April 07, 2021, April 16, 2021, April 20, 2021, June 28, 2021, August 04, 2021, August 25, 2021, October 01, 2021, October 13, 2021, October 14, 2021 and October 20, 2021.

Terms of Reference of the Strategy & Monitoring Committee

a. To oversee divestment of non-strategic assets and investments
b. Examine in details the options available for unlocking value for IDFC shareholders and timelines
c. Other strategic directions for engaging in dialogues with Regulators and Stakeholders
d. To make recommendation to the Board about strategic decisions taken at the meeting
e. To examine and recommend compensation/incentive framework for Senior Management Team which executes project "Unlock Value"
f. The Committee hold meetings at such intervals as may be necessary to discuss strategy or related matters and for monitoring timelines

G. IT STRATEGY COMMITTEE

As per the provisions of RBI master direction RBI/DNBS/2016-17/53 DNBS. PPD.No.04/66.15.001/2016-17 dated June 8, 2017 pertaining to "Information Technology Framework for NBFC sector, during the year, IT Strategy Committee was constituted having Ms. Ritu Anand as Independent Director & Chairperson of the Committee and Mr. Ajay Sondhi, Mr. Sunil Kakar (MD & CEO), Mr. Bipin Gemani & Mr. Dixson Almeida as Members.

The Committee met two times during the year on May 10, 2021 and November 09, 2021. The Board of Directors of IDFC at its meeting held on June 22, 2022, merged Risk Management Committee and IT Strategy Committee with immediate effect.

The Board approved the Information Technology (IT) Strategy Document, Information Security Management System (ISMS) Policy, IT Policy, Cyber Security Policy and Cyber Crisis Management Plan on the recommendation of IT Strategy Committee.

Terms of reference of IT Strategy Committee includes:

a. Approving IT strategy and policy documents for an effective strategic planning. IT strategy will be based on the NBFC Business strategy.
b. Communicating and monitoring information technology strategy internally and externally so that all employees, partners, suppliers, and contractors understand the Company-wide strategic plan and how it carries out the company's overall goals.
c. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
d. Ensuring IT investments are in line with business requirements, accepted IT Security standards within agreed budgets.
e. Review of IT team strength, IT outsourced activities and guide in resource mobilizing for executing strategies.
f. Ensuring proper controls exist towards IT risks giving a balance of risks and benefits.
g. Driving technology decision-making that creates medium- and long-term improvement.
h. Reviewing key strategic priorities and translating them into a comprehensive strategic plan for technology initiatives.
i. Monitoring the execution of the IT policy, ISMS policy, BCP policy, DR policy, IT Outsourcing policy.
j. IT Budgets review and approval
k. IT projects review and approve delivery schedules.

06 ANNUAL GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

FINANCIAL YEAR	LOCATION OF THE MEETING	DATE	TIME	SPECIAL RESOLUTIONS PASSED WITH REQUISITE MAJORITY
FY19	The Music Academy, T.T.K. Auditorium (Main Hall), Near Acropolis Building New No. 168, (Old No. 306), T.T.K. Road, Royapettah, Chennai 600 014.	September 30, 2019	11.30 a.m.	i. Offer and Issue of Non-Convertible Securities through Private Placement
FY20	Through Video Conferencing recorded at 906/907, 9th Floor, Embassy Centre, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400021	September 25, 2020	11:00 a.m.	i. Reappointment of Mr. Sunil Kakar as Managing Director & CEO
FY21	Through Video Conferencing recorded at 906/907, 9th Floor, Embassy Centre, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400021	September 22, 2021	11:00 a.m.	NONE

H. Corporate Restructuring Committee

The Board of Directors of the Company at its meeting held on December 30, 2021, constituted a committee namely 'Corporate Restructuring Committee', to work on the terms of proposed merger of IDFC Limited, IDFC Financial Holding Company Limited with IDFC FIRST Bank Limited. No meeting has been held of the committee since December 30, 2021 till date. The Board of Directors at its meeting held on June 22, 2022 decided to discontinue the said committee with immediate effect and all the decision pertaining to proposed merger will be taken by entire Board of IDFC Limited.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The IDs of the Company met on March 22, 2022 without the presence of the Non-Independent Directors and senior management team of the Company.

All IDs attended the Meeting and discussed the matters as required under the relevant provisions of the Act and the SEBI LODR Regulations.

In addition to the said formal Meeting, interactions outside the Board Meetings also take place between the Chairman and IDs.

BOARD EVALUATION

The Act and SEBI LODR Regulations contain broad provisions on Board Evaluation i.e. evaluation of the performance of:

(i) the Board as a whole,
(ii) individual Directors (including ID and Chairman) and
(iii) various Committees of the Board. The provisions also specify responsibilities of Directors / Committees for conducting such evaluation.

SEBI, vide its circular dated January 5, 2017 had provided a guidance note covering all major aspects of evaluation which would serve as a guide for listed entities and may be adopted by them if considered appropriate.

Accordingly, detailed questionnaires were prepared and circulated to the Board for Annual evaluation. The outcome / responses of the evaluation process was discussed verbally with the Directors present at the meeting.

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations were made at the Board Meetings, on business and performance updates of the Company and its subsidiaries, global business environment, business strategy and associated risks, roles, rights and responsibilities of IDs. Details of the same are given on the website of the Company: www.idfclimited.com.

FEES PAID TO STATUTORY AUDITORS

The details of fees for all services availed by the Company and its subsidiary companies, on a consolidated basis from the statutory auditor are as follows:

(in Crore)

Type of service	Fiscal 2022	Fiscal 2021
Audit Fees	0.36	0.47
Tax Fees	0.05	0.06
Others	0.25	0.27
Total	**0.66**	**0.80**

CODE OF CONDUCT

Code of Conduct for all Directors and designated Senior Management Personnel ("SMP")["Code"] is in place and the said Code is available on the website of the Company: www.idfclimited.com. All Board Members and designated SMPs have affirmed their compliance with the Code. A declaration to this effect duly signed by the MD & CEO is enclosed at the end of this chapter. Further, all

IDs have confirmed that they meet the criteria of Independence mentioned under Regulation 16(1)(b) of SEBI LODR Regulations, read with Sections 149(6) and 149(7) of the Act.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code lays down guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company, as well as the consequences of violation. The Code has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company's securities. The said Code of Conduct for Prohibition of Insider Trading is also available on the website of the Company: www.idfclimited.com.

APPOINTMENT / REAPPOINTMENT / RESIGNATION OF DIRECTORS

Following changes took place in the position of the Directors

1. Designation of Mr. Vinod Rai, changed from Independent Non-Executive Director to Non Independent Non-Executive Director w.e.f. May 25, 2022
2. Appointment of Mr. Anil Singhvi (DIN: 00239589), as an Independent Director of the Company for a period 3 (three) consecutive years, from w.e.f. May 25, 2021 to May 24, 2024
3. Appointment of Dr. Jaimini Bhagwati (DIN: 07274047), as an Independent Director of the Company for a period 3 (three) consecutive years, from w.e.f. May 25, 2021 to May 24, 2024
4. On September 22, 2021, proposal for an appointment of Mr. Vinod Rai as Non-Independent Non- Executive Director on the Board of IDFC Limited did not receive the requisite votes, Mr. Vinod Rai vacated the office with immediate effect.
5. Appointment of Ms. Anita Belani (DIN: 01532511), as an Independent Director of the Company for a period 3 (three) consecutive years, from w.e.f. November 09, 2021 to November 08, 2024
6. Ms. Ritu Anand (DIN: 05154174) completed her term of 3 (three) consecutive years at the close of business hours on August 15, 2022. Hence, ceased to be an Independent Director of the Company.
7. Mr. Sunil Kakar (DIN: 03055561) will complete his term as Managing Director & CEO on close of business hours on September 30, 2022.
8. Appointment of Mr. Mahendra N Shah (DIN: 00124629) as Managing Director - Designate with immediate effect and as Managing Director with w.e.f. October 01, 2022 to September 30, 2023.

The Board places on record its sincere appreciation for the service rendered by Mr. Vinod Rai and Ms. Ritu Anand during their tenure in the Company.

CEO & CFO CERTIFICATION

Certification from the MD & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting for FY22 is enclosed at the end of this chapter.

GENERAL BODY MEETINGS ANNUAL AND EXTRA-ORDINARY GENERAL MEETINGS OF SHAREHOLDERS

Table 6 gives details of AGMs held during last three years. No Extra-Ordinary General Meeting was held during the last three financial years.

Means of communication with Shareholders

As per Regulation 46 of SEBI LODR Regulations, IDFC maintains a website: www.idfclimited.com containing basic information about the Company, such as details of its business, financial results, shareholding pattern, compliance with corporate governance, contact information of the designated official who is responsible for assisting and handling investor grievances. It also displays all official press releases and presentation to institutional investors or analysts made by the Company. This information is regularly updated on the website of the Company.

The financial and other information filed by the Company from time to time is also available on the website of the Stock Exchanges i.e. NSE and BSE. NSE and BSE have introduced their respective electronic platforms namely NSE Electronic Application Processing System ("NEAPS") and BSE Listing Centre Online Portal for submission of various filings by listed companies. IDFC ensures that the requisite compliances are filed through these systems. The Company also informs to the Stock Exchanges the schedule of Investor Conferences where representatives of IDFC attend. The quarterly, half-yearly and annual results of IDFC are published in leading newspapers like the Hindu Business Line, Financial Express & Makkal Kural and are also displayed on the website of the Company: www.idfclimited.com.

DISCLOSURES

RELATED PARTY DISCLOSURES

During FY22, all transactions entered into with Related Parties, as defined under

07 IDFC'S STOCK EXCHANGE CODE FOR EQUITY SHARES

NAME & ADDRESS OF THE STOCK EXCHANGE	STOCK SYMBOL / SCRIP CODE
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla-Complex, Bandra (East), Mumbai 400 051	IDFC
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532659
ISIN	INE043D01016

VIRTUAL ANNUAL GENERAL MEETING

DATE & TIME
TUESDAY
SEPTEMBER 27, 2022
AT 11:00 A.M.

the Act and SEBI LODR Regulations, were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act. There were no materially significant related party transactions that could have any potential conflict of interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards (Ind-AS) has been made in the notes to the Financial Statements. All Related Party Transactions are placed before the Audit Committee for its review and approval on a quarterly basis. Further, an omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature and the management appraises the Audit Committee of such transactions every quarter. Further, the details of Related Party Transactions are included in the Notes to the Financial Statements which forms part of this Annual Report. The Board of Directors have formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Act and SEBI LODR Regulations.

The same are displayed on the website of the Company: www.idfclimited.com.

SUBSIDIARY COMPANIES

Regulation 16(1)(c) of SEBI LODR Regulations defines a material non- listed Indian subsidiary as an unlisted subsidiary, incorporated in India, whose Income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated Income or net worth, respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. By this definition, as of March 31, 2022, the Company has two material subsidiaries—IDFC Financial Holding Company Limited (Unlisted) and IDFC Asset Management Company Limited (Unlisted). Further, as per Regulation 24(1) IDFC has nominated its IDs on the Board of IDFC Financial Holding Company Limited and IDFC Asset Management Company Limited. A Policy for determining 'material' subsidiaries is placed on the website of the Company: www.idfclimited.com. The Audit Committee of IDFC reviews the financial statements of the subsidiary companies and the investments made by its subsidiaries. The minutes of the Board Meetings of the subsidiary companies are placed before the Board of IDFC at regular intervals. A statement of all significant transactions and arrangements entered into by the subsidiary companies, if any, is periodically placed before the Board of IDFC. The audited Annual Financial Statements of the subsidiary companies are provided to the Audit Committee and Board of IDFC.

CONFIRMATION OF COMPLIANCE

IDFC has complied with all the requirements of regulatory authorities. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory / regulatory authority(ies) on any matter related to capital market during the last three years.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required under Schedule V of SEBI LODR Regulations, the Auditors' Certificate on Corporate Governance is annexed and forms part of the Annual Report.

COMMODITY PRICE RISKS OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company did not enter into any Commodity transactions. Further, the Company did not have any foreign currency exposure.

POSTAL BALLOT

During the year, following Resolutions were passed by the Company through Postal Ballot.

1. **Special Resolution- Appointment of Ms. Anita Belani as an Independent Director**

Voting Pattern

Particulars	% of Votes
Votes in favour of the Resolution	99.9919
Votes against the Resolution	0.0081
Invalid votes:	0

2. **Special Resolution- Scheme of Amalgamation of IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited (Wholly Owned Subsidiary Companies) into IDFC Limited under Sec 233 of the Companies Act ,2013.**

Voting Pattern

Particulars	% of Votes
Votes in favour of the Resolution	99.9971
Votes against the Resolution	0.0029
Invalid votes:	0

CHART A **IDFC V/S NIFTY** **IN PERCENTAGE**

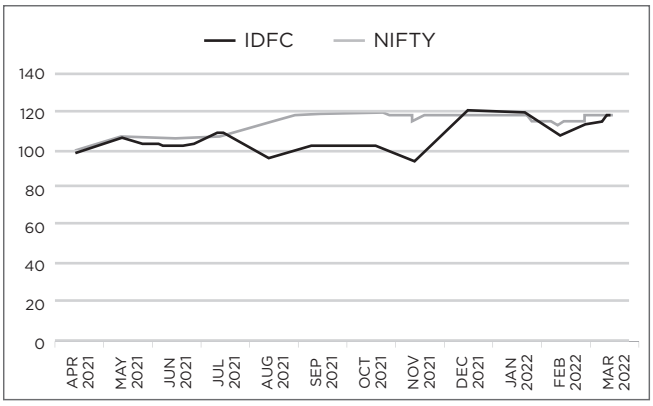
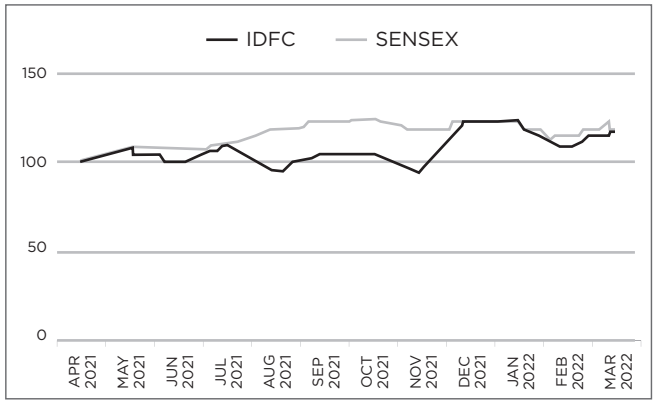


CHART B **IDFC V/S SENSEX** **IN PERCENTAGE**



08 HIGH, LOW AND VOLUMES OF IDFC'S EQUITY SHARES

	BSE			NSE		
MONTH	**HIGH PRICE**	**LOW PRICE**	**TURNOVER (IN LACS)**	**HIGH PRICE**	**LOW PRICE**	**TURNOVER (IN LACS)**
Apr-21	56.70	44.00	6880.44	56.70	44.50	1170.03
May-21	60.25	50.75	6227.16	60.25	50.55	1834.69
Jun-21	59.00	52.85	6524.77	59.00	52.90	924.52
Jul-21	62.60	51.15	8775.42	62.90	51.10	2368.82
Aug-21	57.70	41.70	5394.81	57.70	41.65	1770.26
Sep-21	60.90	49.65	7935.21	61.00	49.65	2117.53
Oct-21	60.20	50.60	5116.42	60.25	50.55	1573.00
Nov-21	64.40	49.85	8439.30	64.40	49.75	2108.11
Dec-21	63.75	46.70	10813.04	63.80	46.65	3273.94
Jan-22	67.20	58.00	13531.50	67.25	58.00	2750.74
Feb-22	68.25	51.55	10094.54	68.30	51.50	2025.62
Mar-22	64.80	52.10	10751.44	64.80	52.10	2199.20

Procedure for Postal ballot

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice on January 07, 2022 to the Members. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules, the Company had provided remote e-voting facility to all the Members of the Company.

The Company engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Company for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Mehta & Mehta, Practicing Company Secretaries, as the Scrutinizer, to act as the Scrutiniser for Postal Ballot process. The voting period commenced on Saturday, January 08, 2022 at 9:00 a.m. (IST) and ended on Sunday, February 06, 2022 at 5:00 p.m. (IST). The cut-off date, for the purpose of determining the number of Members was Friday, December 31, 2021 and the total number of Members as on cut-off date was 4,67,710.

The Scrutiniser, after the completion of scrutiny, submitted his report to Mr. Mahendra N Shah, Company Secretary, who was duly authorised by the Chairman to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

The consolidated results of the voting by Postal Ballot and e-voting were announced on February 07, 2022. The results were also displayed on the website of the Company at www.idfclimited.com and on the website of KFin Technologies Limited at https://evoting.kfintech.com/ and also communicated

09 IDFC'S DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

SR. NO.	CATEGORY (SHARES)	NO. OF HOLDERS	% TO HOLDERS	NO. OF SHARES	% TO EQUITY
1	1 - 5000	445,128	97.84	140,065,822	8.77
2	5001 - 10000	4,478	0.98	33,398,748	2.09
3	10001 - 20000	2,287	0.50	33,681,719	2.11
4	20001 - 30000	833	0.18	21,032,782	1.32
5	30001 - 40000	410	0.09	14,484,069	0.91
6	40001 - 50000	316	0.07	14,605,783	0.91
7	50001 - 100000	613	0.13	45,193,888	2.83
8	100001 and above	875	0.19	1,293,973,131	81.05
	TOTAL	**454,940**	**100.00**	**1,596,435,942**	**100.00**

10 IDFC'S EQUITY SHAREHOLDING PATTERN AS ON MARCH 31, 2022

SR. NO.	DESCRIPTION	NO. OF HOLDERS	TOTAL SHARES	% EQUITY
1	PRESIDENT OF INDIA	1	261,400,000	16.37
2	BANKS, INDIAN FINANCIAL INSTITUTIONS, INSURANCE COMPANIES	13	21,451,064	1.34
3	FOREIGN INSTITUTIONAL INVESTORS /FOREIGN PORTFOLIO – CORP	128	340,723,652	21.34
4	NRI/FOREIGN NATIONALS	5,192	33,554,663	2.10
5	H U F	9,354	28,887,699	1.81
6	BODIES CORPORATES	2,033	125,325,482	7.85
7	MUTUAL FUNDS	54	153,724,311	9.63
8	NBFC	6	670,027	0.04
9	RESIDENT INDIVIDUALS	437,956	575,131,745	36.03
10	TRUSTS	18	425,463	0.03
11	CLEARING MEMBERS	160	2,644,263	0.17
12	Other (AIF, IEPF, QIB)	25	52,497,573	3.29
	TOTAL	**454,940**	**1,596,435,942**	**100.00**

11 TOP 10 SHAREHOLDERS OF THE COMPANY AS ON MARCH 31, 2022

SR. NO.	DPID	FOLIO/ CL-ID	NAME/JOINT NAME(S)	HOLDING	% TO EQT	MINOR CODE
1	IN302437	20095610	PRESIDENT OF INDIA	26,14,00,000	16.37	POI
2	IN300142	10754198	THELEME MASTER FUND LIMITED	7,70,25,433	4.82	FPC
3	IN301549	16191396	ASHISH DHAWAN	5,60,00,000	3.51	PUB
4	IN300126	11273858	BAOBAB GLOBAL FUND LTD	3,81,43,581	2.39	FPC
5	IN303307	10002026	ELLIPSIS PARTNERS LLC	3,71,00,000	2.32	FPC
6	IN300476	40314385	AKASH BHANSHALI	3,43,50,921	2.15	PUB
7	IN300054	10068099	HDFC SMALL CAP FUND	3,35,00,000	2.10	MUT
8	IN300167	10142910	HDFC LIFE INSURANCE COMPANY LIMITED	3,00,00,000	1.88	QIB
9	IN303438	10016654	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	1,83,65,904	1.15	FPC
10	IN303438	10003257	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1,73,88,776	1.09	FPC
	TOTAL			**60,32,74,615**	**37.78**	

to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).
The Company may seek to pass Special Resolution(s) in FY23 through Postal Ballot, as and when required, subject to applicable Act and Rules.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

Pursuant to provisions of Section 177(9) of the Act and Regulation 22 of SEBI LODR Regulations, the Company has established the Vigil Mechanism, by adopting Whistle Blower Policy, for the Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. It also provides adequate safeguards against the victimisation of employees who avail this mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee reviews the functioning of Whistle Blower Mechanism. The Whistle Blower policy and establishment of Vigil Mechanism have been appropriately communicated within the Company and no personnel has been denied access to the Audit Committee. The said policy has been posted on the website of the Company: www.idfclimited.com.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, the safeguard of its assets, the prevention of frauds and errors, the accuracy and completeness of the accounting policies and the timely preparation of reliable financial disclosures.

COMPLIANCE

The Company has adhered to all the mandatory requirements of Corporate Governance norms prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR Regulations to the extent applicable to the Company.

12 DEMATERIALISATION OF SHARES AS ON MARCH 31, 2022

CATEGORY	NO. OF SHARES	%
Physical	40,759	ß*
NSDL	1,362,538,657	85.35
CDSL	233,856,526	14.65
TOTAL	**1,596,435,942**	**100.00**

* ß denotes negligible value.

13 STATUS OF UNCLAIMED DIVIDEND AS ON MARCH 31, 2022

PARTICULARS	UNCLAIMED DIVIDEND (RS.)	DATE OF DECLARATION OF THE DIVIDEND	LAST DATE FOR CLAIMING DIVIDEND
2014-15	4,094,340.00	July 30, 2015	September 3, 2022
2015-16[1]	-	-	-
2016-17	892,460.00	July 28, 2017	August 29, 2024
2017-18	2,407,397.25	July 31, 2018	September 1, 2025
INTRIM 2019-2020 - 1	5,248,615.00	September 21, 2019	October 23, 2026
INTERIM 2019-2020 – 2	1,831,896.30	November 14, 2019	December 18, 2026
2020-21[1]	-	-	-
2021-22[1]	-	-	-

[1] Dividend was not declared for FY 2015-16, FY 2020-21 and FY2021-22

ADOPTION OF NON MANDATORY REQUIREMENTS

SEPARATE POSTS OF CHAIRPERSON AND CEO

The Company has complied with the requirement of having separate persons for the posts of Chairperson and MD & CEO. Mr. Anil Singhvi is the Independent Non-Executive Chairman and Mr. Mahendra N Shah is Managing Director-Designate of the Company w.e.f. August 24, 2022 till September 30, 2022. The 2nd term of Mr. Sunil Kakar as MD & CEO, will conclude on September 30, 2022. Mr. Mahendra N Shah will be the Managing Director of IDFC Limited from October 01, 2022 till September 30, 2023.

AUDIT QUALIFICATION

During the year under review, there were no audit qualifications in the Company's Standalone & Consolidated financial statements. IDFC continues to adopt best practices to ensure regime of unqualified financial statements.

REPORTING OF INTERNAL AUDITORS

The Internal Auditors present their reports directly to the Audit Committee of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34(2)(e) of SEBI LODR Regulations, the Annual Report has a separate chapter titled Management Discussion & Analysis.

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Accounting Standards as specified under Section 133 of the Act. The financial statements have been prepared on the accrual basis under the historical cost convention.

ANTI-MONEY LAUNDERING AND KNOW YOUR CUSTOMER POLICY

In keeping with specific requirements for a Non-Banking Financial Company, the

14 UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT

PARTICULARS	NO. OF CASES/ MEMBERS	NO. OF SHARES OF Rs. 10 EACH
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year	5	1,397
Number of Shareholders who approached to IDFC/ Registrar for transfer of shares from suspense account during the year 2021-22	NIL	NIL
Number of Shareholders to whom shares were transferred from suspense account during the year 2021-22	NIL	NIL
Shares Transferred to IEPF Pursuant to the IEPF Rules	NIL	NIL
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2022	5	1,397

Company has formulated an Anti-Money Laundering and Know Your Customer Policy.

GENERAL SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

Financial Year - April 1, 2021 to March 31, 2022

For the year ended March 31, 2022, results were announced on

- August 11, 2021 for the first quarter.
- November 09, 2021 for the second quarter and half year.
- February 11, 2022 for the third quarter and nine months.
- May 20, 2022 for the fourth quarter and annual.

For the year ending March 31, 2023, results will be announced latest by:

- Second week of August, 2022 for the first quarter.
- Second week of November, 2022 for the second quarter and half year.
- Second week of February, 2023 for the third quarter and nine months.
- Last week of May, 2023 for the fourth quarter and annual.

IDFC'S LISTING AND STOCK EXCHANGE CODES

At present, the equity shares of IDFC are listed on BSE and NSE details whereof are given in **Table 7**. The annual listing fees for FY22 have been paid.

STOCK PRICES

Table 8 gives details of the stock market prices of IDFC's shares. A comparison of the share prices of the Company at NSE and BSE with their respective indices are given in Charts A and B.

DISTRIBUTION OF SHAREHOLDING

The distribution of the shareholding of IDFC's equity shares by size and shareholding pattern by ownership along with Top 10 equity Shareholders of the Company as on March 31, 2022 are given in **Table 9, Table 10** and **Table 11**, respectively.

DEMATERIALISATION OF SHARES

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India NSDL and CDSL. As on March 31, 2022, approximately 99.99% shares of IDFC were held in dematerialised form. The details of the same are given in **Table 12**.

OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company does not have outstanding GDRs / ADRs / Warrants or any Convertible Instruments as on date.

UNCLAIMED / UNPAID DIVIDEND

Pursuant to the provisions of Sections 124 and 125 of the Act, any dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to Investor Education and Protection Fund ("IEPF") established by the Central Government.

Accordingly, an amount of Rs. 3,988,773.00 being unclaimed / unpaid dividend for FY13-14 and which remained unpaid and unclaimed for a period of 7 years has been transferred by the Company to the IEPF. The unpaid dividend amount pertaining to FY14- 15 will be transferred to IEPF after September 03, 2022. Hence, shareholders who have not yet en-cashed their dividend warrant(s) pertaining to dividend for FY14-15 are requested to make their claims on or before September 03, 2022 to the Company or KFin Technologies Limited [formerly known as KFin Technologies Private Limited (KFin)] the Registrar and Transfer Agent of the Company**.** Pursuant to the applicable provisions of the Act and Rules made thereunder, as amended from time to time, it is clarified that after such a transfer, no claim shall lie against the Company. However, the investor can claim the unpaid dividend from the IEPF Authority.

The status of Dividend remaining unclaimed is given in **Table 13.**

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 22, 2021 (date of last AGM) on the Company's website: www.idfclimited.com and on MCA website.

TRANSFER OF SHARES TO IEPF

Pursuant to the applicable provisions of Section 124(6) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent modification thereof, all shares in respect of which dividend have remained unpaid or unclaimed for consecutive seven years; the corresponding shares have to be transferred to IEPF Authority. In compliance with the aforesaid provisions, the Company has transferred 46,405 equity shares of Rs. 10 each to the designated account of the IEP Authority. As required under the said provisions, all subsequent corporate benefits that will be accrued in relation to the above shares shall also be credited to the corresponding Bank account of IEPF Authority. The details of such shares transferred to IEPF are available on website of the Company at http://www.idfclimited.com/investor_relations/UnclaimedShares.htm.

Further, as per the terms of Section 124(6) of the Act and Rule 7 of the IEPF Rules, the Shareholders can claim the shares from IEPF Account by making an online application in Form IEPF - 5 which is available at http://www.iepf.gov.in.

The Company had already sent communication to the Shareholders requesting them to claim the dividend, in order to avoid their shares getting transferred to IEPF. Accordingly, Shareholders who have not claimed the dividend since FY13, are requested to contact KFin Technologies Limited (formerly known as KFin Technologies Private Limited) and submit requisite documents, failing which the Company will be constrained to transfer the shares to IEPF Authority as per the Rules.

UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT

IDFC had credited the unclaimed shares lying in the escrow account, allotted in the Initial Public Offer of the Company during July–August, 2005, into a Demat Suspense Account opened specifically for this purpose. These shares were transferred to IEPF Authority as per the IEPF Rules.

Details of shares which were lying in the 'Unclaimed Suspense Account' and were transferred to IEPF Authority are given in **Table 14**. Further as per the terms of Section 124(6) of the Act and Rule 7 of the IEPF Rules, the Shareholders can claim the shares from IEPF Account by making an online application in Form IEPF - 5 which is available at http://www.iepf.gov.in.

SHARE TRANSFER SYSTEM

IDFC has appointed KFin Technologies Limited (formerly known as KFin Technologies Private Limited) (KFin) as its Registrar and Transfer Agent. All share transfer and related operations are conducted by KFin, which is registered with the SEBI as a Category 1 Registrar The shares sent for physical transfer are effected after giving a 15 day's notice to the seller for confirmation of the sale. IDFC has a Stakeholders' Relationship Committee for monitoring redressing of Shareholders' complaints regarding securities issued by IDFC from time to time.

As required under Regulation 40(9) of SEBI LODR Regulations, a Practising Company Secretary examines the records relating to Share Transfer Deeds, Registers and other related documents on a half-yearly basis and has certified compliance with the provisions of the above Regulations.

As required by SEBI, audit of Reconciliation of Share Capital is conducted by a Practising Company Secretary on a quarterly basis for the purpose, inter alia, of reconciliation of the total admitted equity share capital with the depositories and in physical form with the total issued / paid-up equity share capital of the Company. Certificates issued in this regard are forwarded to BSE and NSE on periodic basis.

INVESTOR CORRESPONDENCE SHOULD BE ADDRESSED TO REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
(Unit: IDFC Limited)
Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032.
Tel: 040-67162222 / 79611000
Fax: 040-23431551
Toll free: 1800 309 4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

THE COMPANY SECRETARY

Ms. Shivangi Mistry
IDFC Limited
906/907, 9th Floor, Embassy Centre,
Jamnalal Bajaj Road,
Nariman Point, Mumbai – 400021
Tel: +91 22 2282 1549
E-mail: shivangi.mistry@idfclimited.com
Website: www.idfclimited.com

REGISTERED OFFICE ADDRESS

IDFC Limited
4th Floor, Capitale Tower, 555 Anna Salai,
Thiru Vi Ka Kudiyiruppu, Teynampet
Chennai - 600018,
Tel: +91 44 45644201 / 4202 / 4223

SKILLS/EXPEREINCE/EXPERTISE OF THE BOARD OF DIRECTORS

NAME OF DIRECTOR	QUALIFICATION / SKILLS	EXPERIENCE / EXPERTISE
Mr. Anil Singhvi (63 years)	Mr. Singhvi holds degree of Chartered Accountant from ICAI.	Mr. Singhvi, a Chartered Accountant, has over 40 years of experience in Corporate sector, out of which he spent 22 years with Ambuja Cements Ltd, where he rose from Manager to Managing Director & CEO. He played a defining role in making of Ambuja Cements. In 2012 he founded IIAS (Institutional Investor Advisory Services India Ltd), proxy advisory company for Institutional Investors. This is a pioneering effort in India for improving Corporate Governance and accountability of the Corporates. IIAS covers over 800 Indian Corporates and advises Investors on the issues of corporate governance and voting. Apart from this, he is also Director on various companies, some of which are Subex Ltd, Shree Digvijay Cement Co. Ltd, Institutional Investor Advisory Services India Ltd. He is a Governing Council member of Foundation for Liberal and Management Education (FLAME University). FLAME was founded to impart Liberal Arts education for Undergraduate students. He has been involved with FLAME from its inception. FLAME is uniquely positioned as one of the only institute in India for Liberal Arts education. He is also closely associated as Trustee with SAMPARC- a non government organization (founded in 1990) that helps to empower the destitute children and provides them not only shelter but a complete way of life. SAMPARC shelters over 800 such children by running 8 homes in the different parts of the country.
Dr. Jaimini Bhagwati (69 years)	Dr. Bhagwati received his PhD in Finance from Tufts University, USA. He did his Master's in Physics from St Stephen's College, Delhi and a Master's in Finance from the Massachusetts Institute of Technology, USA.	Dr. Jaimini Bhagwati is a former IFS officer, economist and foreign policy expert. He was the High Commissioner to the UK and Ambassador to the European Union, Belgium and Luxembourg. Dr. Bhagwati has served in senior positions in the Government of India, including in foreign affairs, finance and atomic energy. In his earlier role at the World Bank, he was a specialist in international bond and derivatives markets and was the RBI chair professor at ICRIER. He is currently a Distinguished Fellow at a Delhi based think-tank called the Centre for Social and Economic Progress (CSEP). Dr. Bhagwati received his PhD in Finance from Tufts University, USA. He did his Master's in Physics from St Stephen's College, Delhi and a Master's in Finance from the Massachusetts Institute of Technology, USA. Penguin published his book titled "The Promise of India: How Prime Ministers Nehru to Modi shaped the nation" in August 2019 and his papers have been carried in several books, ICRIER and at the World Bank. His latest Working Paper dated January 19, 2022 at CSEP is titled "Insolvency and Bankruptcy Code (IBC) and Long-term Bulk Lending in India".
Mr. Ajay Sondhi (62 Years)	Mr. Sondhi was a 2017 Fellow, Harvard Advanced Leadership Initiative. He has an MBA in Finance from JBIMS, Mumbai University, and a Bachelor of Arts in Economics (Honors) from St. Stephens College, Delhi University.	Mr. Ajay Sondhi is a Financial Services and Board professional with extensive Indian and global experience. Mr. Sondhi was most recently Founder & CEO of Sentinel Advisors Pte Ltd, Singapore, a boutique business and strategy advisory firm. He has had a long career in banking, and has held several senior leadership roles in the industry in India and overseas. He was previously MD and Regional Manager for PWM at Goldman Sachs, Singapore. Mr. Sondhi started his career with Citibank India where he rose to become corporate bank and corporate finance head. He subsequently worked with Salomon Brothers Hong Kong, and then moved back to India as Group CEO for Barclays Bank and BZW. He was subsequently Country Head and CEO India for UBS AG, and then went on to become the Vice Chairman and Managing Director for Kotak Mahindra Capital Company. In addition to financial services, Mr. Sondhi also has a strong interest in public health and has a number of engagements in the health sciences area. He recently held an appointment as a Senior Fellow at the Harvard Global Health Institute, Boston. Mr. Sondhi is a Board Director of Maxx Medical Pte. Ltd., Singapore; a Board Director of Noora Health, a California based non-profit active in health education; and an Independent Director on the Board of IDFC Limited. He has previously been an Advisory Board member of Tufts Medical School, Boston, an Independent Director of IDFC Bank, and also of Mahanagar Gas Ltd. Mr. Sondhi is a 2017 Fellow, Harvard Advanced Leadership Initiative. He has an MBA in Finance from JBIMS, Mumbai University, and a Bachelor of Arts in Economics (Honors) from St. Stephens College, Delhi University.

SKILLS/EXPEREINCE/EXPERTISE OF THE BOARD OF DIRECTORS (CONTD.)

NAME OF DIRECTOR	QUALIFICATION / SKILLS	EXPERIENCE / EXPERTISE
Ms. Anita Belani (58 years)	Ms. Anita did her M.B.A. from XLRI, Jamshedpur and B.A.(Hons) in Economics from Miranda House, University of Delhi.	Ms. Anita P Belani is a seasoned professional with over 30 years' experience as a senior business & human capital leader. She is the Co-Founder and Partner of Emotionally, a mental wellness company specializing in counseling, therapy & coaching. She is an independent director on the board of Redington India Pvt Ltd, Vivriti Capital Pvt Ltd, Eternis Fine Chemicals & Foseco India Ltd. Anita is an ICF Accredited Executive Coach and has over 15 years of coaching experience under her belt having coached several C-suite level executives across various sectors. In her previous roles she has been the Operating Partner of the growth PE fund Gaja Capital, Managing Director India for Russell Reynolds Associates and has lead consulting businesses as Country Head India for Right Management and Watson Wyatt Anita has previously worked with Sun Microsystems in San Francisco in a strategic global HR position, KPMG in the USA, Jardine Fleming and American Express TRS.
Mr. Sunil Kakar (65 years)	Mr. Kakar holds an MBA in Finance from XLRI and a degree in engineering from IIT Kanpur.	Mr. Sunil Kakar is the Managing Director & CEO of IDFC Limited. He started his career at Bank of America where he worked for 18 years in various roles, covering Business Planning & Financial Control, Branch Administration and Operations, Market Risk Management, Project Management and Internal Controls. As a CFO from 1996 to 2001, Mr. Kakar spearheaded the Finance function at Bank of America in India. After Bank of America, Mr. Kakar was the CFO at Max New York Life Insurance Company since 2001. He led numerous initiatives including Planning, Investments / Treasury, Finance and Accounting, Budgeting and MIS, Regulatory Reporting and Taxation. As part of the start-up team in Max New York Life, Mr. Kakar was a key part of core group which led the successful development of the insurance business.
Mr. Mahendra N Shah (63 years)	He is a qualified member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost & Management Accountants of India (ICWA) and the Institute of Company Secretaries of India (ICSI).	Mr. Mahendra N. Shah was the Group Company Secretary & Group Chief Compliance Officer of IDFC Bank Limited and had been the Group Head - Governance, Compliance & Secretarial and Senior Advisor- Taxation at IDFC Limited for more than two decades. In this role, Mr. Shah was responsible for Secretarial, Governance and Compliance functions for over 26 companies/entities of IDFC Group. Currently he is the Company Secretary & Compliance Officer of IDFC Limited since May 24, 2019. Prior to joining IDFC in 2001, Mr. Shah worked with International Paper Limited for a period of six years as Director Finance and Company Secretary where he was in charge of finance function and regulatory compliances. Mr. Shah has worked as Head of Taxation in SKF Bearings India Limited where he was responsible for Direct and Indirect Taxation matters of the Company across India. He also worked for a short period with Pfizer Ltd as Finance Officer. He completed his article ship training for CA with M/s. Bansi S. Mehta & Co, CA for 3 years.

CEO & CFO CERTIFICATE

Certification by Chief Executive Officer and Chief Financial Officer of the Company for the Financial Year 2021-2022

We Sunil Kakar, Managing Director & Chief Executive Officer and Bipin Gemani – Chief Financial Officer of IDFC Limited (**"IDFC" or "the Company"**), hereby certify to the Board that:

a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of my knowledge and belief, no transactions entered into by IDFC during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We are responsible for establishing and maintaining internal controls for financial reporting in IDFC and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit committee:
   i. Significant changes in internal control over financial reporting during the year;
   ii. Significant changes in accounting policies during the year and the same have been disclosed in the Notes to the financial statements; and
   iii. Instances of significant fraud of which we have become aware and
   iv. the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any)

f) We further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the current year.

Sunil Kakar
Managing Director & CEO
Mumbai | August 17, 2022

Bipin Gemani
Chief Financial Officer
Mumbai | August 17, 2022

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO,
THE MEMBERS OF
IDFC LIMITED

We have examined the compliance of conditions of Corporate Governance by IDFC Limited ("the Company") for the year ended March 31, 2022, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in chapter IV of the Listing Regulations except that the Company did not have requisite number of directors on its Board during the periods from March 26, 2021 to May 24, 2021 and September 23, 2021 to November 08, 2021, as required under Regulation 17(1)(c) of Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Bhandari & Associates
Company Secretaries
Firm Registration No.: P1981MH043700

Manisha Maheshwari
Partner
ACS No.: 30224
C P No.: 11031
Mumbai | August 24, 2022
UDIN: A030224D000837250

INDEPENDENT AUDITOR'S REPORT

To
The Members of IDFC Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone Ind AS financial statements of IDFC Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
Assessment of valuation of investments measured at fair value for which no listed price in an active market is available and valuation is carried out basis market information and significant unobservable inputs. (Refer note 6 to the standalone financial statements.) The Company has investments in Venture Capital Funds ("VCF") units amounting to ₹116.87 crores measured at fair value, where no listed price in an active market is available. The corresponding fair value change is recognised in statement of profit and loss in accordance with related Accounting Standard (Ind-AS 109). In measuring the fair value of these investments, the Management considers the net asset value ("NAV") declared by the investment managers of the VCF unit. NAV is considered as a significant unobservable input as the Company does not have direct access to the valuations of the underlying portfolio companies in which the VCFs have invested. The Management also reviews the performance of the portfolio companies on a regular basis by tracking the latest available financial statements/financial information, valuation report of independent valuers, investor communications and basis the said assessment determines whether any discount is required to be applied on the NAV communicated by the investment managers of VCF. The assessment made by the Management also takes into consideration the illiquidity considering the said investments are not actively traded in the market. The assessment prepared by the Management is placed before the Board of Directors for their approval at regular intervals. Considering the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the standalone financial statements and the nature and extent of the audit procedures involved, we determined this to be a key audit matter.	The following procedures were performed by us to test the valuation of investments which are measured at fair value for which no listed price in an active market is available: • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's control over assessment of fair value of investments. • We verified that requisite approvals are in place with regards to Management's assessment of fair valuation of investments in VCF. • We traced the inputs used in the calculation from the source data (Statement of Accounts, NAV declared etc.) to verify the arithmetical accuracy of the calculation of valuation of investments. • We evaluated the adequacy of the disclosures in the standalone financial statements. Based on our above audit procedures, we consider that the management's assessment of the fair value of the above investments for which no listed price in an active market is available is reasonable.

Other Information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Standalone Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

6. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's responsibility for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    12.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    12.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

    12.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

    12.4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    12.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The comparative financial statements of the Company for the year ended 31 March 2021 included in Standalone Financial Statements, were audited by the then statutory auditors "Price Waterhouse & Co Chartered Accountants LLP" whose audit report dated 14 June 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. As required by Section 143(3) of the Act, we report that:

    18.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    18.2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    18.3. The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, the statement of changes in equity and the standalone cash flow statement dealt with by this Report are in agreement with the books of account.

    18.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    18.5. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    18.6. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    18.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

19. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    19.1. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements – Refer Note 31 to the Standalone Financial Statements;

    19.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

    19.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

    19.4. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement;

    19.5. The management has represented that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the

Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement;

19.6. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year by the Company is in compliance with Section 123 of the Act.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AJHJHA9773

Place : Mumbai
Date : May 20, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Annexure "A" to the Independent Auditors' report on the Standalone Financial Statements of IDFC Limited for the year ended 31 March 2022. (Referred to in paragraph 17 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified in a phased manner over a period of 2 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the management during the previous year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order is not applicable to the Company.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii)(a) of the said Order are not applicable to the Company.

(b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. The Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment. Therefore, the provisions of Clause 3 (iii) (a) to 3 (iii) (f) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. Therefore, the provisions of Section 185 are not applicable to the Company. The Company is registered as a Non – Banking Financial Company – Investment and Credit Company with the Reserve Bank of India. Thus, the provisions of Section 186 except sub-section (1) of the Act is not applicable to the Company. In our opinion and according to the information and explanations given to us, during the year, the Company has not made any investments through more than two layers of the investment companies as mentioned in sub-section (1) of Section 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, and any other statutory dues have been regularly deposited by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of income-tax have not been deposited to/with the appropriate authority on account of dispute.

Name of the Statute	Nature of the Dues	Amount (in ₹ crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	23.25	AY 2017-18	Commissioner of Income tax (Appeals)/ National Faceless Appeal Centre
Income Tax Act, 1961	Income tax demand	2.98	AY 2018-19	Commissioner of Income tax (Appeals)/ National Faceless Appeal Centre
Income Tax Act, 1961	Income tax demand	7.86	AY 2018-19	Commissioner of Income tax (Appeals)/ National Faceless Appeal Centre
Income Tax Act, 1961	Income tax demand	0.63	AY 2020-21	Asst. Commissioner of Income tax / National Faceless Assessment Centre

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not obtained loans or borrowings from Bank/ Financial institutions or government and has not issued any debentures during the year. Thus, the provisions of Clause 3(ix) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, as the Company has not raised any term loans during the year. Hence, the provisions of Clause 3(ix) (c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds have been raised on short-term basis. Thus, the provisions of Clause 3(ix) (d) of the Order is not applicable to the Company.

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.

xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, provisions of section 192 of the Act, 2013 are not applicable to the Company and hence clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.

(d) The Group has no CIC as part of the Group.

xvii. The Company has incurred cash losses in the financial year and in the immediately preceding financial year. The amount of cash loss is ₹ 15.65 crore for the financial year and ₹ 13.07 crore for the immediately preceding financial year.

xviii. During the year, Price Waterhouse & Co Chartered Accountants LLP, the Statutory auditors of the Company have resigned with effect from 22 September 2021 consequent to amended rules/regulations applicable to the Company. (i.e. vide RBI circular dated April 27, 2021). As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AJHJHA9773

Place : Mumbai
Date : May 20, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Annexure "B" to the Independent Auditors' report on the Standalone Financial Statements of IDFC Limited for the year ended 31 March 2022. (Referred to in paragraph 18.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

Opinion

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of IDFC Limited ("the Company") as at 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A company's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company ; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AJHJHA9773

Place : Mumbai
Date : May 20, 2022

BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in crore)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	4.90	2.14
Bank balances other than cash and cash equivalents above	4	1.45	1.85
Receivables			
(i) Trade receivables	5A	-	-
(ii) Other receivables	5B	2.01	-
Investments	6	9,345.01	9,295.27
Other financial assets	7	0.29	0.29
Non-financial assets			
Income tax asset (net)	8	4.50	1.51
Property, plant and equipment	9	0.16	0.23
Other non-financial assets	10	0.19	2.49
Total assets		9,358.51	9,303.78
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Othe payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.83	1.59
Deposits	12	54.50	35.33
Other financial liabilities	13	3.25	3.65
Non-financial Liabilities			
Income tax liabilities (net)	14	-	0.21
Deferred tax liabilities (net)	15	12.02	0.57
Provisions	16	-	0.17
Other non-financial liabilities	17	1.14	1.16
EQUITY			
Equity share capital	18A	1,596.44	1,596.36
Other equity	18B	7,688.33	7,664.74
Total liabilities and equity		9,358.51	9,303.78

The accompanying notes are integral part of these standalone financial statements.
This is the standalone balance sheet referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
REVENUE FROM OPERATIONS			
Interest income	19	-	0.01
Net gain on fair value changes	20	54.68	7.71
Total revenue from operations		54.68	7.72
Other income	21	3.13	35.20
Total income		57.81	42.92
EXPENSES			
Finance costs	22	4.29	2.59
Employee benefit expenses	23	10.13	8.47
Impairment on financial instruments	24	(0.52)	0.02
Depreciation, amortisation and impairment	9	0.10	1.51
Others expenses	25	12.39	24.75
Total expenses		26.39	37.34
Profit before tax		31.42	5.58
Income tax expense:	26		
- Current tax		-	1.71
- Deferred tax charge / (credit)		11.45	(6.57)
- Tax adjustment on earlier years		(1.98)	1.46
Total tax expense		9.47	(3.40)
Profit for the year		21.95	8.98
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(0.12)	(0.15)
- Income tax relating to these items		0.03	0.04
Other comprehensive income / (loss), net of tax		(0.09)	(0.11)
Total comprehensive income for the year		21.86	8.87
Earnings per equity share of ₹ 10 each			
- Basic (₹)	30	0.14	0.06
- Diluted (₹)		0.14	0.06

The accompanying notes are integral part of these standalone financial statements.
This is the standalone statement of profit and loss referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. EQUITY SHARE CAPITAL

(₹ in crore)

	Notes	Number	Amount
As at March 31, 2020	18A	1,596,358,316	1,596.36
Issued during the year		-	-
As at March 31, 2021	18A	1,596,358,316	1,596.36
Issued during the year		77,626	0.08
As at March 31, 2022	18A	1,596,435,942	1,596.44

B. OTHER EQUITY

(₹ in crore)

	Notes	Reserves and surplus						Total other equity
		Securities premium	Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961	Special reserve u/s. 45-IC of the RBI Act, 1934	Share option outstanding account	General Reserve	Surplus in the statement of profit and loss	
As at March 31, 2020	18B	2,505.88	3,053.25	995.85	19.12	631.02	454.09	7,659.21
Profit for the year		-	-	-	-	-	8.98	8.98
Other comprehensive income / (loss) for the year		-	-	-	-	-	(0.11)	(0.11)
Total comprehensive income for the year		2,505.88	3,053.25	995.85	19.12	631.02	462.96	7,668.08
Transactions with owners in their capacity as owners:								
- Share based payments:								-
i) Employee stock option expense for the year		-	-	-	-	-	-	-
ii) Options granted to the employees of subsidiaries		-	-	-	-	-	-	-
iii) Options exercised during the year		-	-	-	-	-	-	-
iv) Vested options lapsed during the year		-	-	-	(3.34)	-	-	(3.34)
- Dividends paid		-	-	-	-	-	-	-
- Dividend distribution tax		-	-	-	-	-	-	-
- Transfers to:								
i) Special reserve u/s. 45-IC of the RBI Act, 1934		-	-	1.80	-	-	(1.80)	-
ii) Transfers from Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [see note 19(c) (e)]		-	(411.02)	-	-	-	411.02	-
As at March 31, 2021	18B	2,505.88	2,642.23	997.65	15.78	631.02	872.18	7,664.74

B. OTHER EQUITY (₹ in crore)

	Notes	Reserves and surplus						
		Securities premium	Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961	Special reserve u/s. 45-IC of the RBI Act, 1934	Share option outstanding account	General Reserve	Surplus in the statement of profit and loss	Total other equity
As at March 31, 2021	18B	2,505.88	2,642.23	997.65	15.78	631.02	872.18	7,664.74
Profit for the year		-	-	-	-	-	21.95	21.95
Other comprehensive income / (loss) for the year		-	-	-	-	-	(0.09)	(0.09)
Total comprehensive income for the year		2,505.88	2,642.23	997.65	15.78	631.02	894.04	7,686.61
Transactions with owners in their capacity as owners:								
- Share based payments:								
i) Employee stock option expense for the year		-	-	-	2.01	-	-	2.01
ii) Options granted to the employees of subsidiaries		-	-	-	-	-	-	-
iii) Options exercised during the year		0.31	-	-	-	-	-	0.31
iv) Vested options lapsed during the year		-	-	-	(11.04)	10.45	-	(0.59)
- Dividends paid		-	-	-	-	-	-	-
- Dividend distribution tax		-	-	-	-	-	-	-
- Transfers to:								
i) Special reserve u/s. 45-IC of the RBI Act, 1934		-	-	4.39	-	-	(4.39)	-
As at March 31, 2022	18B	2,506.19	2,642.23	1,002.04	6.75	641.47	889.65	7,688.33

The accompanying notes are integral part of these standalone financial statements.

This is the standalone statement of changes in equity referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

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Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit before tax		31.42	5.58
Adjustments :			
Depreciation, amortisation and impairment	9	0.10	1.51
Net loss on sale of property, plant and equipments	25	-	16.57
Impairment of financial instruments	24	(0.52)	0.02
Interest income	19	-	(0.01)
Interest expense	22	4.29	2.59
Gain on sale of investments (net)	20	(8.04)	(1.41)
Employee share based payment expense	23	1.54	(0.28)
Change in fair value of financials assets	20	(46.64)	(6.30)
Interest received	19	-	0.01
Reversal of provision of earlier years	21	-	(30.46)
Provisions for employee benefits		(0.09)	(0.11)
Operating (loss) / profit before working capital changes		(17.94)	(12.29)
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables		(2.01)	7.85
Other financial assets		2.30	1.76
Bank balances other than cash and cash equivalents		0.41	(0.37)
Adjustments for increase/ (decrease) in operating liabilities			
Other payables		1.24	0.01
Other financial liabilities		(0.59)	(1.02)
Cash generated / (utilised) from operations		1.35	8.23
Less : Income taxes paid (net of refunds)		(1.22)	(2.61)
Net cash (outflow) / inflow from operating activities		(17.81)	(6.67)
CASH FLOW FROM INVESTING ACTIVITIES :			
Payments for purchase of investment		(50.22)	(57.47)
Payments for property, plant and equipments		(0.04)	(0.16)
Proceeds from disposal of property, plant and equipments		-	18.00
Advances given to subsidiary		-	(0.02)
Advances repaid by subsidiary		0.52	-
Proceeds from sale of investments		55.04	52.81
Term deposits placed		-	(6.00)
Term deposits matured		-	6.00
Net cash inflow from investing activities		5.30	13.16
CASH FLOW FROM FINANCING ACTIVITIES :			
Inter corporate deposits taken		20.00	39.50
inter corporate deposits repaid (including interest)		(5.12)	(44.54)
Increase in Equity Share Capital		0.39	-
Net cash inflow / (outflow) from financing activities		15.27	(5.04)
NET INCREASE IN CASH AND BANK BALANCES		2.76	1.45
Add : Cash and cash equivalents at beginning of the year		2.14	0.69
Cash and cash equivalents at end of the year		4.90	2.14

The accompanying notes are integral part of these standalone financial statements.

This is the statement of cash flow referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1A. BACKGROUND

IDFC Limited ('the Company') is a public limited company incorporated in India under the provisions of Companies Act, 2013 applicable in India and is a Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). The Company is listed on both the stock exchange (BSE Limited and National Stock exchange of India Limited). The registered office of the Company is located at 4th Floor, Capitale Tower, 555 Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet Chennai – 600 018 , Tamil Nadu and the corporate office is located at 906/907, 9th Floor, Embassy Centre, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021.

The Company had received in principle approval from the RBI to set up a new private sector bank in April 2014. Since October 1, 2015 the Company is operating as NBFC – Investment (NBFC – I).

These standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 20, 2022.

The Company along with its three wholly owned subsidiaries viz. IDFC Projects Limited, IDFC Trustee Company Limited and IDFC Alternatives Limited has filed scheme of amalgamation with Official Liquidator ('OL') – Chennai on December 06, 2021 and to Regional Director ('RD') /Registrar of Companies ('ROC') – Chennai through GNL-1 form on December 06, 2021 seeking their objections / suggestions to the said scheme under Section 233 (1) (a) of the Companies Act, 2013 and rules made thereunder. Physical copies of the same have also been filed with the ROC on December 08, 2021. Appointed date for the merger in the scheme is April 1, 2021.

The ROC, Chennai vide its letter dated February 01, 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the OL of Madras High Court vide its letter dated March 24, 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited.

If approval of RD is received post adoption of accounts by the Board of Directors but before the approval by the members in Annual General Meeting, accounts will be reinstated and merged with effect from Appointed Date i.e. April 01, 2021. The reinstated accounts will be approved by the members at Annual General Meeting and the same will be considered for all regulatory and tax compliances.

1B. NEW AND AMENDED STANDARDS ADOPTED

There are no new standards and amendments applicable to the Company for the annual reporting period commencing on April 1, 2021.

2. BASIS OF PREPARATION

(i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities and contingent consideration is measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments – measured at fair value.

(iii) Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 36.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

3. INVESTMENT IN SUBSIDIARY AND ASSOCIATES

Investment in subsidiaries and associates are measured at cost less accumulated impairment. See note 14 (iii) below for the accounting policy for Impairment of Non-financial assets.

4. REVENUE RECOGNITION

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable.

(i) Interest income

The Company calculates interest income by applying the Effective Interest Rate ('EIR') to the gross carrying amount of financial assets other than credit-impaired assets.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts paid or received that are integral to the effective interest rate, such as origination fees, commitment fees, etc.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

(ii) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders of the investee Company approve the dividend.

(iii) Revenue from power supply

Revenue from power supply is accounted on accrual basis unless there is any uncertainty relating to its recovery.

5. INCOME TAX

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

i. Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

6. GOODS AND SERVICE TAX

Expenses and assets are recognised net of the goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

7. LEASES

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

(i) Company as a lessee

Leases are recognised as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company has is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Asset and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions .

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(ii) Company as a lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

8. FINANCIAL INSTRUMENT

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at Fair value through profit or loss are expensed in profit or loss.

Financial assets

(i) Classification and subsequent measurement of financial assets

The Company classifies its financial assets in the following measurement categories:

- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)
- Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective such as venture capital fund units.

For investments in debt instruments, measurement will depend on the classification of debt instruments depending on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Business Model Assessment-

The business model reflects how the Company manages the assets in order to generate cash flows. The business model determines whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable or when performance of portfolio of financial assets managed is evaluated on a fair value basis, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the company in assessing the business model test include-

- Past experience on how the cash flows for these assets were collected
- how the asset's performance and the business model is evaluated and reported to key management personnel,
- the risks that affect the performance of the business model and how these risks are assessed and managed.

Solely payment of principal and Interest Assessment (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test').

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

Fair value through other comprehensive income: Debt instruments that meet the following conditions are subsequently measured at FVOCI:

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- that are designated at fair value

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI, are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Company's investment in venture capital fund units are classified as financial assets measured at FVTPL.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

Changes in fair value of equity investments at FVTPL are recognised in the statement of profit and loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

Where the management has elected to present gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss.

Currently, Company's investment in equity instruments has been classified as financial assets measured at FVTPL.

9. FINANCIAL ASSETS AND LIABILITIES

(i) Bank balance, Loans, Trade receivables and financial investment at amortised cost.

The Company measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(ii) Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is an evidence of a recent pattern of short-term profit-taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established. Included in this classification investments in mutual fund units, debt securities and equities that have been acquired principally for the purpose of selling or repurchasing in the near term.

(iii) Equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI, when such instruments meet the definition of definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss. Dividends are recognised in profit or loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

(iv) Debt instruments and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

10. RECLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

11. DERECOGNITION OF FINANCIAL ASSETS

Financial Assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred.

- the Company transfers substantially all the risks and rewards of ownership, or
- the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

12. DERECOGNITION OF FINANCIAL LIABILITIES

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

13. IMPAIRMENT OF FINANCIAL ASSET

(i) Overview of the ECL principles

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Company determines whether there has been a significant increase in credit risk.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL).

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 35.

At each reporting date, the Company assesses whether the above financial assets are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company's ECL calculations are outputs of statistical models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies such as macroeconomic scenarios.

The Company assesses on a forward-looking basis the ECL associated with its financial instrument. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money, and

Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(ii) Trade receivables and contract assets

For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward-looking estimates.

14. IMPAIRMENT OF NON-FINANCIAL ASSET

(i) Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(ii) Impairment of investment in subsidiary and Associates

The Company is required to assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. As per IND AS 36 investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. In assessing whether there is any impairment management considers indications through external and internal sources of information.

15. DETERMINATION OF FAIR VALUE

The Company measures certain financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 financial instruments the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period. This is further explained in Note 34.

16. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

17. PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(i) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in which case life of asset has been assessed based on the technical assessment.

a) Mobile Phone – 2 years b) Motor Cars – 4 years

Depreciation on additions during the year is provided on a pro-rata basis. Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss within other gains/ (losses).

18. EMPLOYEE BENEFITS

(i) Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(ii) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in a currency other than INR, are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated absences

Based on the leave rules of the group companies, employees are not permitted to accumulate leave. Any unavailed privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year. Short term compensated absences are provided based on estimates of availment / encashment of leaves.

19. PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

20. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's primary business segments are reflected based on the principal business carried out, i.e. investing. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment.

21. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

22. SHARE-BASED PAYMENTS

The Company has formulated Employee Stock Option Schemes ('the ESOS') in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). The ESOS provides for grant of stock options to employees (including employees of subsidiary companies) to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period.

The fair value of options granted under the ESOS is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

24. ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest "crores" as per the requirement of Schedule III, unless otherwise stated.

25. CONTRIBUTED EQUITY

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceed.

26. DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTE 2: SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 34.

2. ESTIMATION OF NAVS OF VENTURE CAPITAL FUNDS (VCFS)

Investment in Venture Capital Fund units are valued after appropriate markdown of Net Asset Value declared by the Funds for illiquidity discount.

3. PROVISION AND OTHER CONTINGENT LIABILITIES

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

4. TRANSFER FROM SPECIAL RESERVE U/S. 36(1)(VIII) OF THE INCOME-TAX ACT, 1961

As per section 36(1)(viii) of Income tax act, 1961, deduction shall be allowed in respect of any special reserve created and maintained by specified entities, for an amount not exceeding twenty percent (20%) of the profits derived from eligible business (computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account.

Provided that where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and of the general reserves of the specified entity, no allowance under this clause shall be made in respect of such excess.

The Company has created special reserve under section 36(i)(viii) of The Income Tax Act, 1961 on its infrastructure assets. As the Company is an investment company now, no further reserve under the said section is being created. The Company has claimed deduction for the creation of these reserves in earlier years. Section 41(4A) states that, "Where a deduction has been allowed in respect of any special reserve created and maintained under clause (viii) of sub- section (1) of section 36, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income-tax as the income of the previous year in which such amount is withdrawn."

3. CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Cash on hand	ß	ß
Balances with banks:		
In current accounts	4.90	2.14
Total	4.90	2.14

i) The Company has not taken bank overdraft, therefore the cash and cash equivalents for the cash flow statement is same as cash and cash equivalents given above.

4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
In earmarked accounts		
- unclaimed dividend	1.45	1.85
Total	1.45	1.85

5A. TRADE RECEIVABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	-	-
Receivables - Credit impaired	-	5.90
(Less): Impairment loss allowance	-	(5.90)
Total	-	-

5B. OTHER RECEIVABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Secured	2.01	-
Receivables considered good - Unsecured	-	-
Receivables - Credit impaired	-	-
(Less): Impairment loss allowance	-	-
Total	2.01	-

6. INVESTMENTS

(₹ in crore)

	At amortised Cost	At fair value through profit and loss	Others*	Total
As at March 31, 2022				
Subsidiaries [see note (a) and (b) below]	-	-	9,288.19	9,288.19
Associates	-	-	35.62	35.62
Venture capital fund units	-	116.87	-	116.87
Total (A) - Gross	-	116.87	9,323.81	9,440.68
(Less): Impairment loss allowance [see note (c) below]	-	-	(95.67)	(95.67)
Total (A) - Net	-	116.87	9,228.14	9,345.01
Investments outside India	-	-	-	-
Investments in India	-	116.87	9,323.81	9,440.68
Total (B) - Gross	-	116.87	9,323.81	9,440.68
(Less): Impairment loss allowance [see note (c) below]	-	-	(95.67)	(95.67)
Total (B) - Net	-	116.87	9,228.14	9,345.01

(₹ in crore)

	At amortised Cost	At fair value through profit and loss	Others*	Total
As at March 31, 2021				
Subsidiaries [see note (a) below]	-	-	9,288.32	9,288.32
Associates	-	-	35.62	35.62
Venture capital fund units	-	67.00	-	67.00
Total (A) - Gross	-	67.00	9,323.94	9,390.94
(Less): Impairment loss allowance [see note (c) below]	-	-	(95.67)	(95.67)
Total (A) - Net	-	67.00	9,228.27	9,295.27
Investments outside India	-	-	-	-
Investments in India	-	67.00	9,323.94	9,390.94
Total (B) - Gross	-	67.00	9,323.94	9,390.94
(Less): Impairment loss allowance [see note (c) below]	-	-	(95.67)	(95.67)
Total (B) - Net	-	67.00	9,228.27	9,295.27

* Investment in subsidiaries and associates are measured at cost in accordance with Ind AS 27.

a) IDFC Financial Holding Company Limited (''IDFC FHCL") had filed application u/s 66 (i) of the Companies Act 2013 for reduction of share capital by ₹ 650 crore on December 12, 2019 with Hon'ble National Company Law Tribunal (''NCLT''). Hon'ble NCLT, Chennai Branch passed order on February 04, 2021 approving the reduction of share capital and had given time of 30 days to effect the reduction. However the shareholders of IDFC FHCL passed a special resolution in the Extra Ordinary General Meeting held on March 2, 2021 to not give effect to the said capital reduction. Based on the legal advice obtained, IDFC FHCL has communicated its decision of not being able to comply to the NCLT order to the Registrar of companies ("ROC") vide MGT-14 dated March 02, 2021 and to NCLT vide their letter dated March 02, 2021. No communication has been received by IDFC FHCL from ROC or NCLT upto the date of approval of these financial statements.

b) As part of simplification of corporate structure, the Company along with its three wholly owned subsidiaries viz. IDFC Projects Limited, IDFC Trustee Company Limited and IDFC Alternatives Limited has filed scheme of amalgamation with Official Liquidator ('OL') – Chennai on December 06, 2021 and to Regional Director ('RD') /Registrar of Companies ('ROC') – Chennai through GNL-1 form on December 06, 2021 seeking their objections / suggestions to the said scheme under Section 233 (1) (a) of the Companies Act, 2013 and rules made thereunder. Physical copies of the same have also been filed with the ROC on December 08, 2021.

The ROC, Chennai vide its letter dated February 01, 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the OL of Madras High Court vide its letter dated March 24, 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited.

If approval of RD is received post adoption of accounts by the Board of Directors but before the approval by the members in Annual General Meeting, accounts will be reinstated and merged with effect from Appointed Date i.e. April 01, 2021. The reinstated accounts will be approved by the members at Annual General Meeting and the same will be considered for all regulatory and tax compliances.

c) Impairment loss allowance

(i) The Company had made provision of ₹ 35.62 crore on Novopay Solutions Private Limited ("Novopay") (associate of the Company). Performance of Novopay had lead to substantial erosion of its net worth. Accordingly, investment was completley impaired.

(ii) IDFC Projects Limited, a wholly owned subsidiary of the Company has suspended its business operations and there are no definitive future business plans for its commercial operations. The net worth of IDFC Projects Limited has eroded significantly due to accumulated losses from prior years of operation to such an extent that it's networth has turned negative, the recoverable amount of the entire equity investment is considered to be less than its carrying value. Consequently, in the preceding years the Company had made a provision for impairment of ₹ 47.05 crore in the statement of profit and loss. Entire Investment in IDFC Projects Limited has been provided for.

(iii) IDFC Foundation, wholly owned subsidiary of the Company is a section 8 company under Companies Act, 2013. Upon winding up or dissolution of IDFC Foundation, if there remains, after satisfaction of all debts and liabilities, any surplus whatsoever, the same shall not be distributed to IDFC Limited but will be transferred to such other company having objects similar to the objects of IDFC Foundation. Accordingly, in the preceding years, the entire investment of ₹ 13 crores in IDFC Foundation was full provided for by the Company.

More information regarding the valuation methodologies are disclosed in Note 34.

7. OTHER FINANCIAL ASSETS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Security deposits	0.29	0.29
Advance given to related party (refer note 38)	-	0.52
Impairment provision on advance given to related party	-	(0.52)
Total	0.29	0.29

8. INCOME TAX ASSETS (NET)

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Income tax paid in advance	4.50	1.51
[net of provision for tax for ₹ 31.14 crores (March 31, 2021: ₹ 16.06 crores)]		
Total	4.50	1.51

9. PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

	Vehicles	Office Equipments	Computers	Windmills	Total
Year ended March 31, 2022					
Gross carrying amount					
Opening gross carrying amount	0.45	0.18	1.81	-	2.44
Additions	-	0.01	0.04	-	0.04
Disposals and transfers	-	ß	0.01	-	0.01
Closing gross carrying amount	0.45	0.18	1.84	-	2.47
Accumulated depreciation					
Opening accumulated depreciation	0.25	0.17	1.79	-	2.21
Depreciation charge during the year	0.08	ß	0.02	-	0.10
Disposals and transfers	-	ß	ß	-	ß
Closing accumulated depreciation	0.33	0.17	1.81	-	2.31
Net carrying amount as at March 31, 2022	0.12	0.01	0.03	-	0.16
Year ended March 31, 2021					
Gross carrying amount					
Opening gross carrying amount	0.29	0.18	1.81	59.96	62.24
Additions	0.16	ß	-	-	0.16
Disposals and transfers	-	-	-	(59.96)	(59.96)
Closing gross carrying amount	0.45	0.18	1.81	-	2.44
Accumulated depreciation					
Opening accumulated depreciation	0.18	0.17	1.78	21.96	24.09
Depreciation charge during the year	0.07	ß	0.01	1.43	1.51
Disposals and transfers [see note (a) below]	-	-	-	(23.39)	(23.39)
Closing accumulated depreciation	0.25	0.17	1.79	-	2.21
Net carrying amount as at March 31, 2021	0.20	0.01	0.02	-	0.23

a) During the preceding year, based on the Business Transfer Agreement executed on August 14, 2020, windmills has been sold to Champak Pragati Foundation for aggregate consideration of ₹ 20.34 crore. The Company had recognised loss of ₹ 16.57 crore on sale on Windmill. Post the sale of Windmills, transfer application was made to Rajasthan Renewable Energy Corporation (RRECL) for transfer of Power Purchase Agreement (PPA) in favour of the buyer which has been transferred in current year. The Company had received part consideration and balance amount of ₹ 2.32 crore was to be received post PPA transfer, which the Company has received during the current financial year. As on March 31, 2022 there is no balance outstanding pertaining to sale of Windmills.

10. OTHER NON-FINANCIAL ASSETS (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	0.18	0.17
Supplier advances	-	ß
Balances with government authorities - cenvat/GST credit available	-	ß
Receivable from gratuity fund [(refer note 27)]	ß	-
Others [refer note 9 (a)]	0.01	2.32
Total	0.19	2.49

11. OTHER PAYABLES (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises *	2.83	1.59
Total	2.83	1.59

* Represents undisputed unbilled dues.

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Company and is as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	-	-
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

12. DEPOSITS (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Inter corporate deposits from related parties [see note 38]	54.50	35.33
Total	54.50	35.33

Net debt reconciliation

The section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	4.90	2.14
Intercoporate deposits	(54.50)	(35.33)
Net debt	(49.60)	(33.19)

	Other assets	Liabilities from financing activity	Total
	Cash and Bank Balance	Inter Corporate deposit	
Net debt as at April 1, 2020	0.69	(37.76)	(37.07)
Cash outflows	1.45	-	1.45
Inter corporate deposits taken	-	(39.50)	(39.50)
Inter corporate deposits repaid	-	42.76	42.76
Interest on Inter corporate deposits	-	(0.83)	(0.83)
Net debt as at March 31, 2021	2.14	(35.33)	(33.19)
Cash outflows	2.76	-	2.76
Inter corporate deposits taken	-	(20.00)	(20.00)
Inter corporate deposits repaid	-	0.83	0.83
Interest on Inter corporate deposits	-	-	-
Net debt as at March 31, 2022	4.90	(54.50)	(49.60)

13. OTHER FINANCIAL LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend *	1.45	1.85
Employee benefits payable	1.80	1.80
Total	3.25	3.65

* Amount required to be transferred has been transferred to Investor Education Protection Fund account as required under section 125 of the Companies Act, 2013

14. INCOME TAX LIABILITIES (NET)

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Provision for income tax	-	0.21
[net of advance tax of ₹ Nil (March 31, 2021: ₹ 14.15 crore)]		
Total	-	0.21

15. DEFERRED TAX LIABILITIES (NET)

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Fair value adjustments		
- Venture capital fund units	12.02	0.57
Total	12.02	0.57

a) Movement in deferred tax liabilities

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities:

(₹ in crore)

Particulars	As at March 31, 2021	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2022
Deferred tax liability :				
Fair valuation gain/(loss) on financial instruments	0.57	11.45	-	12.02
Total	0.57	11.45	-	12.02

16. PROVISIONS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Provision for gratuity [refer note 27]	-	0.17
Total	-	0.17

17. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Statutory dues	1.14	0.67
Other payables	-	0.49
Total	1.14	1.16

18A. EQUITY SHARE CAPITAL

(₹ in crore)

	As at March 31, 2022		As at March 31, 2021	
	Number	₹ In crore	Number	₹ In crore
Authorised shares				
Equity shares of ₹ 10 each	4,000,000,000	4,000.00	4,000,000,000	4,000.00
Preference shares of ₹ 100 each	100,000,000	1,000.00	100,000,000	1,000.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	1,596,435,942	1,596.44	1,596,358,316	1,596.36
Total	1,596,435,942	1,596.44	1,596,358,316	1,596.36

a) Movements in equity share capital

	As at March 31 2,022		As at March 31 2,021	
	Number	₹ In crore	Number	₹ In crore
Outstanding at the beginning of the year	1,596,358,316	1,596.36	1,596,358,316	1,596.36
Shares issued during the year [refer note (c)]	77,626	0.08	-	-
Outstanding at the end of the year	1,596,435,942	1,596.44	1,596,358,316	1,596.36

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing annual general meeting, except in case of interim dividend.

c) Shares reserved for issue under options

During the year ended March 31, 2022 the Company issued 77,626 equity shares of face value of ₹ 10 each pursuant to exercise of stock option by employees under the employee stock option scheme.

Information relating to the IDFC Limited Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 37.

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
President of India	26,14,00,000	16.37	26,14,00,000	16.37

18B. OTHER EQUITY (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Surplus in the statement of profit and loss	889.65	872.18
Securities premium	2,506.19	2,505.88
General reserve	641.47	631.02
Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961	2,642.23	2,642.23
Special reserve u/s. 45-IC of the RBI Act, 1934	1,002.04	997.65
Share options outstanding account	6.75	15.78
Total	7,688.33	7,664.74

a) Surplus in the statement of profit and loss (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	872.18	454.08
Net profit for the year	21.95	8.98
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(0.09)	(0.11)
Transfer from Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [refer note 18(c)(e)]	-	411.02
Transfer to special reserve u/s. 45-IC of RBI Act, 1934	(4.39)	(1.80)
Closing balance	889.65	872.18

b) Securities premium (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	2,505.88	2,505.88
Changes during the year	0.31	-
Closing balance	2,506.19	2,505.88

c) General reserve (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	631.02	631.02
Appropriations during the year	10.45	-
Closing balance	641.47	631.02

d) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	2,642.23	3,053.25
Appropriations during the year [refer note 18C (e)]	-	(411.02)
Closing balance	2,642.23	2,642.23

e) Special reserves u/s 45-IC of RBI Act, 1934 (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	997.65	995.85
Appropriations during the year	4.39	1.80
Closing balance	1,002.04	997.65

f) Share options outstanding account (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	15.78	19.12
Employee stock option expense	2.01	-
Vested options lapsed during the year	(11.04)	(3.34)
Closing balance	6.75	15.78

18C. NATURE AND PURPOSE OF SPECIAL RESERVES

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

Under the earstwhlie Companies Act, 1956, general reserve was created through an annual transfer of net income at specified percentage in accordance with applicable regulations. The purpose of these transfer was to ensure that if dividend distribution in the given year is more than 10% of paid up capital of the Company of that year, then the total dividend distribution is less than the total distributable results of the year. Consequent to introduction of Companies Act, 2013, the requirement to transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

c) Special reserves u/s 45-IC of RBI Act, 1934

As per section 45-IC of RBI Act, 1934, Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent (20%) of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

d) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee Stock Option Scheme (ESOS) over the vesting period. (Refer Note 37).

e) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961

As per section 36(1)(viii) of Income tax act, 1961, deduction shall be allowed in respect of any special reserve created and maintained by specified entities, for an amount not exceeding twenty percent (20%) of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account.

Provided that where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and of the general reserves of the specified entity, no allowance under this clause shall be made in respect of such excess.

Before demerger of its financing undertaking, the Company was a notified public financial institution engaged in lending to infrastructure projects. The Company had created special reserve u/s 36(1)(viii) of the Income Tax Act, 1961 on profits derived from eligible business. The Company has claimed deduction for the creation of these reserves in earlier years. Section 41(4A) states that, "Where a deduction has been allowed in respect of any special reserve created and maintained under clause (viii) of sub- section (1) of section 36, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income-tax as the income of the previous year in which such amount is withdrawn." During the preceding year, based on the legal opinion provided by the external legal advisor and in consultation with the tax consultant, the Company has transferred excess reserves of ₹ 411.02 crores on which deduction was not allowed in any of the previous years to "Surplus in the statement of profit and loss". The transfer of reserves have been approved by the Board of Directors.

19. INTEREST INCOME

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised costs:		
Interest on deposits with banks	-	0.01
Total	-	0.01

20. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/(loss) on financial instruments at FVTPL:		
(i) On trading portfolio		
- Mutual fund units	0.17	0.19
(ii) On financial instruments designated at FVTPL		
- Venture capital units	54.51	7.52
Total (A)	54.68	7.71
Fair Value changes:		
Realised	8.04	1.41
Unrealised	46.64	6.30
Total (B)	54.68	7.71

21. OTHER INCOME

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of power	-	4.74
Miscellaneous income	3.13	-
Reversal of provision of earlier years*	-	30.46
Total	3.13	35.20

* Out of the above for details of reversal amounting to ₹ 22.63 crores refer note 31(b). The balance amount pertains to reversal of impairment on other receivables amounting to ₹ 7.83 crores as the same have been recovered during the preceding year.

22. FINANCE COST

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost:		
Interest on inter corporate deposits (refer note 38)	4.29	2.59
Total	4.29	2.59

23. EMPLOYEE BENEFITS EXPENSES

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	7.86	8.01
Contribution to provident and other funds [refer note 27(a)]	0.69	0.70
Contribution to gratuity fund [refer note 37(c)(i)]	0.02	0.02
Employee share based payment expense [refer note 37(c)(ii)]	2.01	-
Employee share based payment expense- Bank	(0.47)	(0.28)
Staff welfare expenses	0.02	0.02
Total	10.13	8.47

24. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
On financial instruments measured at amortised cost:		
Advances given to related party	(0.52)	0.02
Others:		
Write off of trade receivables	5.90	-
Reversal of provision on trade receivables	(5.90)	-
Total	(0.52)	0.02

25. OTHER EXPENSES

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Rent	0.55	0.52
Rates and taxes	1.73	1.18
Repairs and maintenance		
- Equipments	-	1.26
Loss on sale of Plant, Property and Equipment [refer note 9(a)]	-	16.57
Insurance charges	0.14	0.16
Travelling and conveyance	0.06	0.16
Printing and stationery	0.01	0.01
Communication costs	0.02	0.27
Advertising and publicity	0.05	0.03
Professional fees	6.95	2.39
Directors' sitting fees	0.85	0.35
Commission to directors	0.69	0.66
Contribution for corporate social responsibility (CSR) [refer note (b) below]	0.64	0.36
Auditors' remuneration [refer note (a) below]	0.39	0.47
Shared service cost (net)	0.16	-
Miscellaneous expenses	0.15	0.36
Total	12.39	24.75

a) Breakup of Auditors' remuneration

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	0.27	0.34
Tax audit fees	0.02	0.02
Other Services	0.10	0.09
Out-of-pocket expenses	ß	0.02
Total	0.39	0.47

b) Contribution for corporate social responsibility (CSR)

i) As per Section 135 of the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) related activities during the year is ₹ 0.64 crore (preceding year ₹ 0.91 crore).

ii) Amount spent towards CSR during the year and recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 0.64 crore (preceding year ₹ 0.36 crore), which comprise of following:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
CSR Expenditure:		
IDFC Foundation	-	0.36
Prime Minister's CARES Fund*	-	0.55
Scoial Action For Manpower Creation - SAMPARC	0.17	-
Yosaid Innovation Foundation	0.17	-
GOONJ	0.10	-
IIMPACT	0.10	-
INDIAN CANCER SOCIETY	0.10	-
	0.64	0.91
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	0.64	0.91
Total	0.64	0.91

There is no amount outstanding to be paid in cash, out of total amount required to be spent on Corporate Social Responsibility (CSR) related activities.

* Based on the Appeal received from the Government of India, Ministry of Corporate Affairs (MCA), the Company had additionally contributed ₹ 0.55 crore towards Prime Minister's CARES fund in FY 19-20. Also MCA had issued a circular dated May 20, 2021 - on offsetting the excess CSR spent for financial year 2019-20 in next financial year. Accordingly excess contribution of ₹ 0.55 crore made in FY 19-20 has been set off against CSR liability of FY 20-21.

26. INCOME TAX

a) The components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
Current tax on profits for the year	-	1.71
Adjustment for current tax of earlier periods	(1.98)	1.46
Total current tax expense	(1.98)	3.17
Deferred tax		
Increase / (decrease) in deferred tax liabilities [see note (d) below]	11.45	(6.57)
Total deferred tax expense	11.45	(6.57)
Income tax expense	9.47	(3.40)

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is, as follows:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit before tax	31.42	5.58
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	7.91	1.41
Tax effect of the amount which are not taxable:		
- Provisions disallowed in preceding year hence not taxable	-	(7.67)
Expenses not deductible / deductible for tax purposes		
- Book loss on sale of Windmill	-	4.17
- Others	(7.91)	0.44
Long term capital gain taxed on windmill - in tax books	-	4.58
Difference in tax rates (due to business loss set off)	-	0.29
Adjustment of current tax of prior periods	(1.98)	1.46
Effect of reversal of opening deferred tax liability	11.45	(6.57)
Others	-	(1.50)
Income tax expense at effective tax rate	9.47	(3.40)
Effective tax rate	30.13%	(60.92%)

c) Unrecognised temporary differences

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Temporary differences relating to impairment loss	(0.52)	0.02

The Company had not created deferred tax asset on the impairment loss recognised on financial assets in the preceding year as there was no reasonable certainty that future taxable profits will be available against which deferred tax asset can be utilised, hence there is no reversal of deferred tax asset in current year on reversal of impairment loss.

d) Deferred tax expenses of the preceding year include reversal of deferred tax of ₹ 8.15 crores created on Windmill which has been sold during the preceding year.

e) The Direct Tax Vivad Se Vishwas (VSV) Act, 2020 introduced a dispute resolution scheme, which is applicable to all appeals / petitions filed by the tax payer on the income tax department, which were pending until January 31, 2020, before any appellate forum. Under the Scheme, a taxpayer can settle a litigation pending before any forum by paying the tax on the disputed income and get a full waiver of interest and / or penalty. During the preceding year the Company had settled its liability for Assessment Year 2017-18 by paying ₹ 1.53 crores under VSV scheme.

27. EMPLOYEE BENEFIT OBLIGATIONS

a) Defined contribution plans

The Company has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Provident fund	0.38	0.39
Pension fund	0.29	0.29
Superannuation fund	0.02	0.02
Total	0.69	0.70

b) Defined benefit plans

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for Indian employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet

(₹ in crore)

	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2021	2.74	2.56	0.17
Current service cost	0.02	-	0.02
Interest expense/(income)	0.06	0.05	ß
Actuarial loss / (gain) arising from change in financial assumptions	(0.01)	-	(0.01)
Actuarial loss / (gain) arising on account of experience changes	0.20	-	0.20
Actual return on plan assets less interest on plan assets	-	0.08	(0.08)
Employer contributions	-	0.31	(0.31)
Benefit payments	-	-	-
As at March 31, 2022	3.01	3.01	ß

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	3.01	2.74
Fair value of plan assets	3.01	2.56
Plan liability net of plan assets	ß	0.17

ii) Statement of Profit and Loss (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefit Expenses:		
Current service cost	0.02	0.03
Interest cost	ß	(0.01)
Total	0.02	0.02
Finance cost	-	-
Net impact on the profit before tax	0.02	0.02
Remeasurement of the net defined benefit liability:		
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	(0.01)	(0.04)
Actuarial gains/(losses) arising from changes in experience	0.20	0.33
Actual return on plan assets less interest on plan assets	(0.08)	(0.14)
Net impact on the other comprehensive income before tax	0.12	0.15

iii) Defined benefit plans assets

Category of assets (% allocation)	As at March 31, 2022	As at March 31, 2021
Insurer managed funds		
- Government securities	45.65%	50.86%
- Deposit and money market securities	15.06%	5.94%
- Debentures / bonds	33.93%	37.44%
- Equity shares	5.36%	5.76%
Total	100.00%	100.00%

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2022	As at March 31, 2021
Discount rate	4.40%	3.90%
Salary escalation rate*	5%	5%

* takes into account the inflation, seniority, promotions and other relevant factors

v) Demographic assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-14)

vi) Sensitivity

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(0.23%)	0.26%
Salary escalation rate	0.50%	0.25%	(0.23%)

As at March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(0.24%)	0.26%
Salary escalation rate	0.50%	0.26%	(0.24%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
within 12 months	2.89	2.64
Between 2-5 years	0.03	0.02
Between 5-10 years	0.03	0.03
Beyond 10 years	0.16	0.13

The weighted average duration to the payment of these cash flows is 0.49 years (preceding year 0.50 years).

28. SEGMENT INFORMATION

The Company's main business is to carry out Investment activity in India. All other activities of the Company revolve around the main business of the Company. Accordingly, there are no separate reportable segments, as per Ind AS 108 "Operating Segment." Also the Company does not have any geographical segment.

29. OTHER NOTES

i) Reserve Bank of India ("RBI") has, vide its letter No.DOR..HOL.No.SUO-75590/16.01.146/2021-22 dated July 20, 2021, clarified that after the expiry of lock-in period of 5 years, IDFC Limited can exit as the promoter of IDFC FIRST Bank Limited.

In relation with note above, since the five years of lock- in period is completed, IDFC Financial Holding Company Limited (IDFC FHCL) had written letters to IDFC FIRST Bank Limited ("IDFC FIRST Bank") with respect to Unlocking Value for shareholders of the Company. The Board of Directors of IDFC FIRST Bank at their meeting held on December 30, 2021 has confirmed that they are "In-principle" in favour of Merger of 'IDFC' and 'IDFC FHCL' with'IDFC FIRST Bank'. The said corporate restructuring activity shall be subject to approval by the Board of Directors of entities involved, shareholders, creditors and other necessary statutory / regulatory approvals.

ii) The Board of Directors of the Company and IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC Asset Management Company Limited ('IDFC AMC') along with IDFC AMC Trustee Company Limited ('IDFC AMC Trustee') and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by the Company to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited, Infinity Partners (affiliates of ChrysCapital) ('Proposed Transaction'). The consideration for the Proposed Transaction is ₹ 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure.

iii) On March 25, 2021 the Company received letter from Government of India, Ministry of Finance , Department of Financials Services informing about the withdrawal of Mr. Anshuman Sharma and Mr. Soumyajit Ghosh as Nominee directors from the Board of IDFC Limited with immediate effect.

Pursuant to Regulation 17(1)(c) of SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations 2015, the Board of Directors of IDFC Limited shall comprise of not less than six directors. Due to sudden and immediate withdrawal of Government Nominees from the Board, the number of Directors on the Board of the Company reduced from 6 to 4 and the composition of the Board as well as constitution of Board's committees were impacted. As on March 31, 2021 the Company was in process of appointing New Directors, other than Government Nominee, on the Board to comply with Regulation 17(1)(c) of SEBI LODR Regulations 2015.

Subsequently, the Company based on the recommendation of Nomination and Remuneration Committee at its meeting held on May 25, 2021 approved nomination of Mr. Jaimini Bhagwati and Mr. Anil Singhvi as an additional director in the category of independent director for a period of 3 years. These nominations are approved by the shareholders of the Company at the Annual General Meeting held on September 22, 2021.

30. EARNINGS PER SHARE (EPS)

a) The basic earnings per share has been calculated based on the following:

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax available for equity shareholders	21.95	8.98
Weighted average number of equity shares	1,596,413,052	1,596,358,316

b) The reconciliation between the basic and the diluted earnings per share is as follows:

	Year ended March 31 2,022	Year ended March 31 2,021
Basic earnings per share	0.14	0.06
Effect of outstanding stock options	0.00	-
Diluted earnings per share	0.14	0.06

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

	Year ended March 31 2,022	Year ended March 31 2,021
Weighted average number of shares for computation of Basic EPS	1,596,413,052	1,596,358,316
Dilutive effect of outstanding stock options	438,563	-
Weighted average number of shares for computation of Diluted EPS	1,596,851,615	1,596,358,316

31. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Commitments		
Uncalled liability on shares and other investments partly paid	2.74	10.81
Claims not acknowledged as debts	34.72	4.51
Letter of comfort (see note a)	14.57	14.57
Total	52.04	29.89

a) The Company had issued letter of comfort to IDFC Foundation - wholly owned subsidiary of the Company, if there is any short fall in meeting its obligations towards its contingent liabilities amounting to ₹ 14.57 crore and any related penalty. The comfort letter is valid till April 30, 2022.

b) IDFC Projects Limited, a wholly owned subsidiary of the Company holds 19.90% stake on fully diluted basis in Jetpur Somnath Tollways Private Limited ("JSTPL"). JSTPL had executed the concession agreement with National Highway Authority of India ("NHAI") for the purpose of four laning of 123.45 km Jetputur Somnath Section of NH-8D in the state of Gujarat under NHDP phase III on Build Operate Transfer (BOT) (TOLL) on DBFO pattern. Due to certain disputes, JSTPL along with its lenders had initiated arbitration proceeding against NHAI to make payment of 90% of the debt due under terms of the arrangement. The Hon'ble Supreme Court of India directed NHAI to pay ₹ 348.60 crore in the Escrow Account with the Lead Lender, Punjab National Bank (PNB) within 6 (six) weeks from January 05, 2018. Following that, NHAI had released the amount of ₹ 348.60 crore on January 29, 2018 which was distributed to lenders on proportionate basis. However, JSTPL had provided a bank guarantee of the amount of ₹ 348.60 crore to NHAI in compliance with order of the Court.

The Hon'ble Delhi High Court pronounced the judgement on January 4, 2021 in favour of JSTPL. NHAI challenged this judgment under section 37 and next hearing was scheduled on April 29, 2021 which got adjourned and is rescheduled on July 19, 2021. JSTPL filed execution petition on January 13, 2021 and based on the petition filed Hon'ble Delhi High Court directed NHAI to handover the original bank guarantee before March 15, 2021. JSTPL collected the bank guarantee from NHAI on March 17, 2021 and returned it to PNB. Accordingly IDFC Projects share of commitment (19.90% on fully dilutive basis) which was counter guaranteed by IDFC for ₹ 69.37 crore was disclosed as commitments in the preceding year. However, as bank guarantee is revoked, it is no more shown as outstanding commitment. Consequently, provision on loan commitment created in IDFC Limited for ₹ 22.63 crore was also revered in preceding year.

c) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

32. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Board of the Directors of the Company at its meeting held on April 06, 2022 has considered and declared an Interim Dividend of 10% i.e. ₹ 1 per equity share of the Company. The interim dividend was paid to the eligible shareholders on May 02, 2022, whose names appeared on the Register of Members of the Company as at close of day on April 10, 2022 being the record date for the purpose of the aforesaid interim dividend.

33. CAPITAL MANAGEMENT

The Company maintains a capital base to cover risks inherent in the business and is meeting capital adequacy requirements of the regulator, Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the preceding years. However, they are under constant review by the Board.

The following additional information is disclosed in terms of the RBI circular (Ref No. DNBR .PD. 008 / 03.10.119 / 2016-17 dated September 01, 2016); RBI circular DNBR(PD) CC No. 053 / 03.10.119 / 2015-16 and RBI circular DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 :

(₹ in crore)

Capital to risk assets ratio (CRAR):	As at March 31, 2022	As at March 31, 2021
Tier I capital	926.10	952.84
Tier II capital	-	-
Total capital	926.10	952.84
Risk weighted assets	1,069.79	1,015.71
CRAR (%)	86.57%	93.81%
CRAR - Tier I capital (%)	86.57%	93.81%
CRAR - Tier II capital (%)	-	-
Amount of subordinated debt considered as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

Regulatory capital Tier I capital, which comprises share capital, share premium, special reserves, share option outstanding account, retained earnings including current year profit less accrued dividends. Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the Reserve Bank of India.

34. FAIR VALUE MEASUREMENT

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the note below:

Financial Instruments by Category (₹ in crore)

Year ended March 31, 2022	At fair value through profit and loss	Amortised cost
Financial Assets:		
Cash and cash equivalents	-	4.90
Bank Balances other than cash and cash equivalents	-	1.45
Other receivables	-	2.01
Investments:		
- Venture capital fund units	116.87	-
Other financial assets	-	0.29
Total Financial Assets	116.87	8.65
Financial Liabilities:		
Other payables	-	2.83
Deposits	-	54.50
Other financial liabilities	-	3.25
Total Financial Liabilities	-	60.58

(₹ in crore)

Year ended March 31, 2021	At fair value through profit and loss	Amortised cost
Financial Assets:		
Cash and cash equivalents	-	2.14
Bank Balances other than above	-	1.85
Investments:		
- Venture capital fund units	67.00	-
Other financial assets	-	0.29
Total Financial Assets	67.00	4.28
Financial Liabilities:		
Other payables	-	1.59
Deposits	-	35.33
Other financial liabilities	-	3.65
Total Financial Liabilities	-	40.57

The Equity instruments in subsidiaries and associates are measured at cost and not included in the above table.

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2022 (₹ in crore)

Assets measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Venture capital fund units	6	-	-	116.87	116.87
Total financial assets		-	-	116.87	116.87

Year ended March 31, 2021 (₹ in crore)

Assets measured at fair value - recurring fair value measurements		Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL					
- Venture capital fund units	6	-	-	67.00	67.00
Total financial assets		-	-	67.00	67.00

i) There are no transfers between levels 1, 2 and 3 during the year.

ii) The Companies policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Hierarchy includes financial instruments measured using quoted prices in an active market.

Level 2: The fair value of financial instruments that are not traded in an active market (such as mutual fund units) is determined using observable market data and not the entity specific estimates. These investments are valued at closing Net Asset Value (NAV), which represents the repurchase price at which the issuer will redeem the units from investors. Since all significant inputs required to fair value an instrument are observable, the investments are included in Level 2.

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

b) Valuation technique used to determine fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Specific valuation techniques used to value financial instruments include:

- the fair value of the mutual fund units is determined using observable NAV at the reporting date as declared by the issuer.
- the fair value of the venture capital units (VCFs) is determined using NAV at the reporting date as declared by the issuer. ^
- the fair value of unlisted equity shares are has been valued by an independent valuer.

^ Considering the illiquidity discount, the Company has provided for additional diminution over and above the NAV communicated by the VCFs in order to appropriately reflect the fair value as on March 31, 2022. During preceding year with respect to the Covid-19 pandemic and the stress in various sectors of the economy the Company had taken appropriate haircuts and provided for an additional diminution over and above the NAV communicated by the VCFs in order to appropriately reflect the fairvalue as on March 31, 2021.

c) Valuation Process

In order to assess Level 3 valuations as per Company's investment policy, the management relies on the NAVs issued by the VCF's.

The finance team performs the above process and reports directly to the Chief Financial Officer (CFO) of the Company. Discussions of valuation processes and results are held between the finance team and CFO on regular basis. Investment valuation is placed before the members of the board at least once every three months which is in line with the Company's quarterly reporting periods.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2022 and March 31, 2021:

(₹ in crore)

	Venture capital fund units	Total
Year ended March 31, 2020	54.64	54.64
Disposals (net) during the year	6.06	6.06
Gains recognised in profit and loss	6.30	6.30
Year ended March 31, 2021	67.00	67.00
Acquisitions (net) during the year	3.23	3.23
Gains recognised in profit and loss	46.64	46.64
Year ended March 31, 2022	116.87	116.87

e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (b) above for the valuation techniques adopted.

	Fair Value as at 31st March 2022	Fair Value as at 31st March 2021	Significant unobservable inputs	Probability-weighted range	Sensitivity
Venture capital fund units	116.87	67.00	Net Asset Value	10%	Whilst these investments are not traded on any market, they are exposed to price risk in respect of their underlying investments. 10% is the sensitivity rate used when reporting price risk internally to key management personnel and represents management's assessment of the possible net change in underlying prices. A 10% increase/(decrease) in the net asset value would increase/(decrease) the Company's gain/(loss) by ₹8.75 crores. (March 31, 2021 - ₹ 5.01 crores).

f) Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include cash and bank balances, bank deposits, security deposits, short term loans and advances, trade and other receivables, trade and other payable, and debt securities.

Advance to related parties and security deposits are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these financial assets. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

35. FINANCIAL RISK MANAGEMENT

Risk management is an integral part of the business practices of the Company. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk policies. These risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The objective is that these financial risks are identified, measured and managed in accordance with the Company's policies in a timely manner. The activities are designed to:

- protect the Company's financial results and position from financial risks;
- maintain market risks within acceptable parameters, while optimizing returns;
- protect the Company's financial investments, while maximising returns.

a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises mainly from cash and cash equivalents, deposits with banks, trade and other receivable, loans measured at amortised cost.

Expected credit loss methodology:

Ind As 109 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 - A financial instrument that is not credit impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company. The Company has established credit quality review process which considers net asset position, financial strength and leverage; operational & financial performance; cash flows, etc. in identification of creditworthiness of counterparties.
- Stage 2 - Financial instruments with significant increase in credit risk, but not yet deemed to be credit impaired are moved to Stage 2.
- Stage 3 - Credit impaired financial instruments are moved to stage 3.

The Company performs internal risk assessment on an individual basis and not on a portfolio basis due to the limited number of counterparties involved. The assessment of credit risk of a loans (including loan commitments) entails estimations as to the likelihood of loss occurring due to default of counterparties. The estimation of credit exposure for risk management purposes is complex and considers expected cash flows and the passage of time.

Default and credit-impaired asset:

The Company defines a financial asset as in default or credit-impaired, when it meets one or more of the following criteria:

- Quantitative criteria:

The borrower is more than 90 days past due on its contractual payments to be considered in default.

- Qualitative criteria:

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty.

For all financial instruments held by the Company, if the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

Policy for write-off of financial assets

All loans which in the opinion of management are not recoverable are written off. The Company may write off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

Explanation of inputs and assumptions considered in the ECL model:

PD Estimation:

- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future.

For Stage 1, 12 month PD are calculated.

For Stage 2, Lifetime PD are calculated by considering the survival rate of the counterparty for the remaining maturity.

For Stage 3, Lifetime PD is taken as 100%.

Exposure at default:

- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

For the loan commitments, the exposure at default (EAD) is predicted by aggregating total unfunded credit exposure and applying a "credit conversion factor (CCF)" which considers any further amount that is expected to be lent under arrangement at the time of default. CCF denotes the probability of off-balance sheet exposure (i.e. loan commitment) becoming credit exposure shifting onto the balance sheet if the loan commitment is called.

Loss given default:

- Loss given default (LGD) is an estimate of loss from a transaction given that a default occurs. LGD varies by type of counterparty, type and seniority of claim. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

In case of loan commitment to IDFC Projects, on account of limited credit information available and no prior history with other forms of operations, the Company has used the standard LGD prescribed in the RBI norms for Capital Adequacy — "Internal Ratings Based (IRB) Approach to Calculate Capital Requirement for Credit Risk" after giving considerations to the required threshold levels of collateralization.

The Expected Credit Loss (ECL) is measured either on a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit impaired. Expected credit losses are the product of the probability of default (PD), exposure at default (EAD) and loss given default (LGD).

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

In determining the ECL, management assesses a range of possible outcomes, taking into account past events, current conditions and the economic outlook. Additional facts and circumstances, that in management's judgment are considered to have been inadequately addressed in the ECL Model, are taken into consideration through the application of a management overlay framework. ECL adjustments arising from the exercise of the management overlay are subject to a review.

Credit risk exposure:

The following table contains an analysis of Company's exposure to credit risk towards loan commitments for which and ECL allowance is recognised:

(i) Reconciliation of ECL - Loan commitments*

(₹ in crore)

	Stage 1 (12M ECL)	Stage 2 (12M ECL)	Stage 3 (Lifetime ECL)	Total
Impairment allowance as at March 31, 2020	-	-	22.63	22.63
- arising during the year	-	-	-	-
- reversed	-	-	(22.63)	(22.63)
Impairment allowance as at March 31, 2021	-	-	-	-
- arising during the year	-	-	-	-
- reversed	-	-	-	-
Impairment allowance as at March 31, 2022	-	-	-	-

*Refer note 31(b) for details of loan commitments provided to IDFC Projects Limited in earlier years.

ii) Trade and other receivables

Concentrations of credit risk with respect to trade and other receivables are limited, due to the customer base being limited. All trade receivables are reviewed and assessed for default on a individual basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Reconciliation of impairment allowance on trade and other receivables

	₹ in crore
Impairment allowance as at March 31, 2020	13.73
Add/(less): changes in loss allowance	(7.83)
Impairment allowance as at March 31, 2021	5.90
Add/(less): changes in loss allowance	(5.90)
Impairment allowance as at March 31, 2022	-

iii) Other financial assets

The Company maintains exposure in cash and cash equivalents, deposits with banks. Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions only, therefore credit risk is perceived to be low.

For investment in mutual fund units and venture capital fund units carried at fair value through profit and loss, the Company does not have significant concentration of credit risk.

The maximum exposure at the end of the reporting period is the carrying amount of these investments ₹ 116.87 crores (March 31, 2021: ₹ 67.00 crores)

The Company continues to provide the financial support to its Wholly Owned Subsidiay "IDFC Projects Limited" to meet its obligations as and when they fall due for payment; as the networth of the subsidiary is fully errorded. During the preceding year, the Company had given an advance of ₹ 0.02 crore which has been fully provided.

Reconciliation of impairment allowance on other financial assets

	₹ in crore
Impairment allowance as at March 31, 2020	0.50
Add/(less): changes in loss allowance	0.02
Impairment allowance as at March 31, 2021	0.52
Add/(less): changes in loss allowance	(0.52)
Impairment allowance as at March 31, 2022	-

b) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments.

i) Fair value interest rate risk:

Interest rate risk is the risk where the company is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of a changes in market interest rates.

The Company is exposed to interest rate risk from investments held in debt oriented mutual fund units. These funds invests in debt securities. Sensitivity analysis for exposure to interest rate risk in case of units backed by debt securities is not disclosed as there are no investments outstanding as on March 31, 2022 and March 31, 2021.

ii) Foreign currency risk:

The Company does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date.

iii) Price risk:

The price risk arises from investments in venture capital fund units classified in the balance sheet as financial instruments measured at fair value through profit and loss. The future uncertain changes in the Net Asset Value of the Company's investment exposes the Company to the price risk.

Exposure		(₹ in crore)
	As at March 31, 2022	As at March 31, 2021
Investment in venture capital fund units	116.87	67.00
Total	116.87	67.00

Sensitivity - Investment in venture capital fund

The table below summarises the impact of increases/decreases in the net asset value of Company's investment in venture capital fund units.

	Impact on profit after tax*	Impact on profit after tax*
	Year ended March 31, 2022	Year ended March 31, 2021
Investment in venture capital fund units:		
- Increase 10% (preceding year 10%)	8.75	5.01
- Decrease 10% (preceding year 10%)	(8.75)	(5.01)

*Profit for the year would change as a result of gain/loss on financial instruments classified as at fair value through profit and loss.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Company believes that current cash and bank balances, bank deposits and investments in liquid investments are sufficient to meet liquidity requirements since Company has no external borrowings. Accordingly, liquidity risk is perceived to be low.

Maturity analysis:

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the balance sheet date:

(₹ in crore)

As at March 31, 2022	Note No.	Less than 12 months	More than 12 months	Total
Financial liabilities:				
Other payable	11	2.83	-	2.83
Deposits	12	44.50	10.00	54.50
Other financial liabilities	13	3.25	-	3.25
Total financial liabilities		50.58	10.00	60.58

As at March 31, 2021	Note No.	Less than 12 months	More than 12 months	Total
Financial liabilities:				
Other payable	11	1.59	-	1.59
Deposits	12	19.89	15.44	35.33
Other financial liabilities	13	3.65	-	3.65
Total		25.13	15.44	40.57

36. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in crore)

	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	4.90	-	4.90	2.14	-	2.14
Bank balance other than cash and cash equivalents above	1.45	-	1.45	1.85	-	1.85
Receivables						
(I) Trade receivables	-	-	-	-	-	-
(II) Other receivables	2.01	-	2.01	-	-	-
Investments	-	9,345.01	9,345.01	-	9,295.27	9,295.27
Other financial assets	-	0.29	0.29	-	0.29	0.29
Non-financial assets						
Income tax assets	-	4.50	4.50	-	1.51	1.51
Property, plant and equipment	-	0.16	0.16	-	0.23	0.23
Other non-financial assets	0.19	-	0.19	2.49	-	2.49
Total assets	8.55	9,349.96	9,358.51	6.48	9,297.30	9,303.78
Financial liabilities						
Payables						
(I) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.83	-	2.83	1.59	-	1.59
Deposits	44.50	10.00	54.50	35.33	-	35.33
Other financial liabilities	3.25	-	3.25	3.65	-	3.65
Non-financial Liabilities						
Income tax liabilities (Net)	-	-	-	0.21	-	0.21
Deferred tax liabilities (Net)	12.02	-	12.02	0.57	-	0.57
Provisions	-	-	-	0.17	-	0.17
Other non-financial liabilities	1.14	-	1.14	1.16	-	1.16
Total liabilities	63.74	10.00	73.74	42.68	-	42.68

37. EMPLOYEE SHARE BASED PAYMENTS

a) Employee stock option scheme (equity settled) - IDFC Limited

The Company introduced IDFC Employee Stock Option Scheme, 2016 ("IDFC ESOS - 2016") to enable the employees of the Company and its subsidiaries / associates to participate in the future growth and financial success of the IDFC Group. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOS provides for grant of stock options to employees [including employees of subsidiary companies and IDFC FIRST Bank Limited (an associate of the Company)] to acquire equity shares of the Company, that will vest in a graded manner and that are to be exercised within a specified period.

The fair value of options granted to the employees of the Company under the ESOS is recognised as an employee benefits expense with a corresponding increase in 'Share Option Outstanding Account' under 'Other Equity'. The fair value of options granted to the employees of subsidiaries or associate of the Company is recognised as an increase in the investment in the respective subsidiaries or associate, with a corresponding credit to 'Share Option Outstanding Account' under 'Other Equity' in accordance with group share based payment guidance under Ind AS 102.

Options are granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company. The options granted will vest upon the completion of service condition as specified in scheme in a graded manner. Vested options are exercisable for the period of five years after the vesting.

i) Set out below is a summary of options granted under the plan:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Average exercise price	Number of options	Average exercise price	Number of options
Opening balance	56.82	10,604,778	61.64	13,281,418
Granted during the year	53.60	1,200,000	-	-
Exercised during the year	49.84	(77,626)	-	-
Forfeited during the year	89.21	(418,690)	80.94	(2,658,640)
Lapsed/expired during the year	55.44	(7,461,964)	48.77	(18,000)
Closing balance	55.11	3,846,498	56.82	10,604,778
Vested and exercisable	55.80	2,646,498	56.82	10,604,778
Unvested	53.60	1,200,000	-	-

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 49.84 (preceding year ₹ Nil).

ii) Share options outstanding at the March 31, 2022 have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
02-Sep-13	02-Sep-19 to 02-Sep-21	48.77	-	24,000
07-Aug-14	07-Aug-19 to 07-Aug-21	90.56	-	400,000
05-Oct-15	18-Apr-17 to 05-Oct-23	60.35	809,270	1,175,924
05-Feb-16	05-Feb-22 to 05-Feb-24	41.15	210,000	300,000
29-Apr-16	14-Jul-17 to 29-Apr-23	43.40	70,000	100,000
26-Jul-16	14-Jul-17 to 26-Jul-23	53.90	111,128	158,754
14-Sep-16	14-Sep-22 to 14-Sep-24	59.20	100,000	100,000
14-Mar-17	14-Mar-23 to 14-Mar-25	51.85	42,600	42,600
09-May-17	31-May-18 to 09-May-24	63.25	103,500	103,500
27-Apr-18	27-Apr-23	55.40	1,200,000	8,200,000
10-May-21	09-May-25	53.60	1,200,000	-
Total			3,846,498	10,604,778
Weighted average remaining contractual life of options outstanding at end of period			2.32	2.21

iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the stock option.

12,00,000 ESOPS were granted during the year ended March 31, 2022 (Preceding year: Nil).

Sr. No	Variables	Year ended March 31, 2022	Year ended March 31, 2021
1	Risk Free Interest Rate	4.71%	-
2	Expected Life	2.50	-
3	Expected Volatility	50.28%	-
4	Dividend Yield	0.00%	-
5	Price of the underlying share in market at the time of the option grant. (₹)	53.60	-

b) Employee stock option scheme (equity settled) - IDFC FIRST Bank Limited

IDFC FIRST Bank Limited (earlier known as IDFC Bank Limited), an indirect associate of the Company, got demerged from the Company under the sanctioned scheme of arrangement in October 2015. Pursuant to Scheme of Demerger, IDFC FIRST Bank Limited has allotted employee stock options to the employees of the Company and it's subsidiaries. The employee share based payments arrangement between the Company and its associate is outside the scope of Ind AS 102 - Group share based payment arrangement, as associate is not a part of the same group. However, under Ind AS 8, the Company has taken a policy choice to account the said employee share based payments arrangement as per the provisions of Ind AS 102.

Applying Ind AS 102 - Group share based payments arrangement guidance, the fair value of options granted to the employees of the Company is recognised as an employee benefits expense with a corresponding decrease in investment in associate. However, the fair value of options granted to the employees of subsidiaries of the Company is recognised as an increase in the investment in the respective subsidiaries and a decrease in investment in associate.

c) Amounts recognised in statement of profit and loss and investment in subsidiary:

The Company had established an intermediate Non-Operating Financial Holding Company (NOFHC) (i.e. IDFC Financial Holding Company Limited) to hold the investment in IDFC FIRST Bank Limited (an associate of the Company) and other subsidiaries of the Company due to regulatory requirements of RBI. Since the Company does not hold direct investment in its associate and other subsidiaries involved in group, the Company increases or decreases its investment in IDFC Financial Holding Company Limited, to give the effect of increase or decrease in the investment in subsidiary or associate for accounting employee stock options.

i) Total expenses arising from share-based payment transactions recognised in statement of profit and loss as part of employee benefit expense for the year ended March 31, 2022 is ₹ 2.01 crores (preceding year ₹ Nil).

ii) Reversal of expense on account of cancel / lapse of employee stock option of IDFC FIRST Bank Limited which has been recognised in statement of profit and loss as part of employee benefit expense for the year ended March 31, 2022 is ₹ (0.47 crore) crores (preceding year ₹ (0.28 crore)).

38. RELATED PARTY TRANSACTIONS

List of related party where transaction exists.

a) Subsidiaries

Direct:

Name	Place of incorporation	Ownership Interest	
		As at March 31, 2022	As at March 31, 2021
IDFC Foundation	India	100%	100%
IDFC Financial Holding Company Limited	India	100%	100%
IDFC Alternatives Limited	India	100%	100%
IDFC Trustee Company Limited	India	100%	100%
IDFC Projects Limited	India	100%	100%

Indirect:

IDFC Asset Management Company Limited

IDFC AMC Trustee Company Limited

IDFC Securities Limited (till June 10, 2020)

b) Associates

Direct:

Novopay Solutions Private Limited

Indirect:

IDFC FIRST Bank Limited

c) Key management personnel

Mr. Sunil Kakar - Managing Director & CEO

Mr. Bipin Gemani - Chief Financial Officer

Mr. Vinod Rai - Independent director (upto May 24, 2021)

Mr. Vinod Rai -Non Independent director (wef May 25, 2021 upto September 22, 2021)

Mr. Soumyajit Ghosh - Nominee Director (upto March 25, 2021)

Mr. Anshuman Sharma - Nominee Director (upto March 25, 2021)

Ms. Ritu Anand - Independent director

Mr. Ajay Sondhi - Independent director

Ms. Anita Belani - Independent Director (w.e.f November 09, 2021)

Dr. Jaimini Bhagwati - Independent director (w.e.f. May 25, 2021)

Mr. Anil Singhvi - Independent director (w.e.f. May 25, 2021)

d) Key management personnel compensation

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefit	5.48	7.16
Long-term employee benefit	0.62	0.62
Total	6.10	7.77

Sitting fees and Commission to directors has been disclosed as "Directors' Sitting Fees" & "Commission to directors" under "other expenses" in note 25.

I) The nature and volume of transactions of the Company with the above mentioned related parties are as summarised below:

(₹ in crore)

	Subsidiaries		Associates	
	2022	2021	2022	2021
INCOME				
Interest	-	-	-	0.01
EXPENDITURE				
Shared service cost recovery	(0.08)	(0.08)	-	(0.32)
Shared service cost (including reim of exp)	0.15	0.08	0.15	-
CSR contribution	-	0.36	-	-
Interest cost	4.29	2.59	-	-
ASSETS / TRANSACTIONS				
Purchase of Vehicle	-	-	-	0.02
Sale of Office Equipment	-	-	ß	-
Current account balance	-	-	6.27	3.38
Fixed deposits placed	-	-	-	6.00
Fixed deposits matured	-	-	-	6.00
Advances given	-	0.03	-	-
Advances repaid	(0.52)	(0.01)	-	-
Advances / other receivable	0.01	0.52	-	-
Outstanding Equity investment - At cost	9,327.89	9,327.89	35.62	35.62
LIABILITIES / TRANSACTIONS				
Inter-corporate deposits taken	20.00	39.50	-	-
Inter-corporate deposits repaid including interest	5.12	44.54	-	-
Inter-corporate deposits - Balance outstanding	54.50	34.50	-	-
Interest accrued on inter corporate deposit taken - balance outstanding	-	0.83	-	-

39. THE FOLLOWING ADDITIONAL INFORMATION IS DISCLOSED IN TERMS OF THE RBI CIRCULAR (REF. NO. DNBS (PD) CC NO. 008 /03.10.119 /2016-17 DATED JULY 1, 2016) :

(a) Investor group wise classification of all investments (current and non-current) in shares and securities (both quoted and unquoted):

(₹ in crore)

		As at March 31, 2022		As at March 31, 2021	
		Market value / Break up value / Fair value / NAV	Book value net of provision	Market value / Break up value / Fair value / NAV	Book value net of provision
1	**Related parties**				
	(a) Subsidiaries	9,660.80	9,228.14	9,336.83	9,228.27
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	**Other than related parties**	116.87	116.87	67.00	67.00
	Total	9,777.67	9,345.01	9,403.83	9,295.27

(b) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(₹ in crore)

	upto 30/31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 month	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Deposits	25.00	-	-	5.00	14.50	10.00	-	-	54.50
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	9,345.01	9,345.01
Borrowing	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

As at March 31, 2021

(₹ in crore)

	upto 30/31 days	Over 1 month upto 2 months	Over 2 month upto 3 months	Over 3 month & upto 6 month	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Deposits	15.00	-	-	5.00	14.50	-	-	-	34.50
Advances	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	9,295.27	9,295.27
Borrowing	-	-	-	-	-	-	-	-	-
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors

(c) Exposures to Capital Market

(₹ in crore)

		As at March 31, 2022	As at March 31, 2021
(i)	Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows/issues	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	119.61	77.81
	Total Exposure to Capital Market	119.61	77.81

(d) Penalties / fines imposed by the RBI

During the year ended March 31, 2022 there was no penalty imposed by the RBI (Previous Year Nil).

40. The following additional information is disclosed in terms of the RBI circular (Ref. No. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020)

For year ended March 31, 2022 (₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7)=(4)-(6)
Performing Assets						
Standard	Standard	2.01	-	2.01	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful						
up to 1 year	-	-	-	-	-	-
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 3					
Total		-	-	-	-	-

For year ended March 31, 2021 (₹ in crore)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7)=(4)-(6)
Performing Assets						
Standard	-	-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful						
up to 1 year	-	-	-	-	-	-
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Loss	Stage 3	6.42	6.42	-	6.42	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 3	-	-	-	-	-
Total		6.42	6.42	-	6.42	-

41. ADDITIONAL DISCLOSURES

(a) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in the Statement of Profit and Loss:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Impairment on financial instruments	(0.52)	0.02
Total	(0.52)	0.02

(b) Disclosure of complaints

The following table sets forth, the movement and the outstanding number of complaints:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Shareholders' complaints:		
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	2	64
No. of complaints disposed off during the year	2	64
No. of complaints remaining unresolved at the end of the year	Nil	Nil

The above information is certified by management and relied upon by the auditors

42. RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR :

The last rating taken by the Company was withdrawn on January 27, 2020.

43. Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies:

As per the RBI circular dated 4th Nov 2019 circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 all non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore, shall maintain a liquidity buffer in terms of Liquidity Coverage Ratio ('LCR') which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days.

From	December 1, 2020	December 1, 2021	December 1, 2022	December 1, 2023	December 1, 2024
Minimum LCR	30%	50%	60%	85%	100%

As per the above requirement, IDFC Limited is required to maintain LCR from 1 December 2020.

Main drivers to the LCR numbers: All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

Composition of HQLA: The HQLA maintained by the Company comprises cash balance maintained in current account.

Detailed LCR template is presented below according to the format given in RBI Circular.

(₹ in crore)

	Q1 FY22		Q2 FY22		Q3 FY22		Q4 FY22	
Particulars	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA)	0.76	0.76	1.29	1.29	1.52	1.52	1.23	1.23
Cash Outflows								
2. Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	-	-	-	-	-	-	-	-
4. Secured wholesale funding	-	-	-	-	-	-	-	-
5. Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations	0.84	0.97	1.64	1.89	1.53	1.76	1.03	1.19
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	**0.84**	**0.97**	**1.64**	**1.89**	**1.53**	**1.76**	**1.03**	**1.19**
Cash Inflows								
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11. Other cash inflows	0.07	0.06	0.02	0.02	0.01	0.01	2.34	1.76
12. TOTAL CASH INFLOWS	**0.07**	**0.06**	**0.02**	**0.02**	**0.01**	**0.01**	**2.34**	**1.76**
	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13. TOTAL HQLA		0.76		1.29		1.52		1.23
14. TOTAL NET CASH OUTFLOWS		0.91		1.87		1.76		0.30
15. LIQUIDITY COVERAGE RATIO (%)		**83%**		**69%**		**86%**		**414%**

High Quality Liquid Assets (HQLA)	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**	**Total unweighted value (average)**	**Total weighted value (average)**
Assets to be included as HQLA without any haircut	0.76	0.76	1.29	1.29	1.52	1.52	1.23	1.23
Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	**0.76**	**0.76**	**1.29**	**1.29**	**1.52**	**1.52**	**1.23**	**1.23**

Particulars	Q3 FY21 Total unweighted value (average)	Q3 FY21 Total weighted value (average)	Q4 FY21 Total unweighted value (average)	Q4 FY21 Total weighted value (average)
High Quality Liquid Assets				
1. Total High Quality Liquid Assets (HQLA)	0.60	0.60	0.96	0.96
Cash Outflows				
2. Deposits (for deposit taking companies)	-	-	-	-
3. Unsecured wholesale funding	-	-	-	-
4. Secured wholesale funding	-	-	-	-
5. Additional requirements, of which				
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-
6. Other contractual funding obligations	0.88	1.01	1.47	1.69
7. Other contingent funding obligations	-	-	-	-
8. TOTAL CASH OUTFLOWS	**0.88**	**1.01**	**1.47**	**1.69**
Cash Inflows				
9. Secured lending	-	-	-	-
10. Inflows from fully performing exposures	-	-	-	-
11. Other cash inflows	-	-	-	-
12. TOTAL CASH INFLOWS	**-**	**-**	**-**	**-**
		Total Adjusted Value		Total Adjusted Value
13. TOTAL HQLA		0.60		0.96
14. TOTAL NET CASH OUTFLOWS		1.01		1.69
15. LIQUIDITY COVERAGE RATIO (%)		59%		57%

High Quality Liquid Assets (HQLA)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
Assets to be included as HQLA without any haircut	0.60	0.60	0.96	0.96
Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-
Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-
Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-
Total HQLA	**0.60**	**0.60**	**0.96**	**0.96**

44 The disclosure on the following matters required under Schedule III as amended on March 24, 2021 not being relevant or applicable in case of the Company, same are not covered:

(i) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(ii) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) No satisfaction of charges are pending to be filed with ROC.

(v) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(vi) The Company has entered into scheme of arrangement, details of which are disclosed in Note 1A. As approval from RD is still pending, no accounting impact has been given in current or previous financial year.

(vii) There have been no revaluation of Plant, Property and Equipment during the current year.

(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.

(xi) The Company has not entered into any transaction with Struck off Companies other than those stated below:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (No.of shares as on March 31, 2022)
ARPITA TRADING	Shares held by struck off company	4,500
JALAN HOLDINGS PRIVATE LIMITED		1,500
SAFNA CONSULTANCY PVT LTD		500
YOGESH INVESTMENT PVT.LTD.		200
VINAYAK CONSULTING PRIVATE LIMITED		10
KOTHARI INTERGROUP LTD.		2
VAISHAK SHARES LIMITED		1
DREAMS BROKING PVT LTD		1

45 OTHER DISCLOSURES:

(i) The Company did not have any long term contracts including derivative contracts for which there are any material losses.

46 Considering the nature of the business of the entity and transactions entered during the year ended March 31, 2022 and March 31, 2021 following disclosures required as per NBFC circular DNBR (PD) CC.No.008/03.10.119/2016-17 dated September 01, 2016 (Updated as on April 1, 2022) are not applicable to the Company and hence are not disclosed:

(i) Disclosures regarding Derivatives.

(ii) Disclosures relating to Securitization.

(iii) Exposure to Real Estate Sector.

(iv) Details of financing of parent company products.

(v) Detail of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC.

(vi) Unsecured Advances.

(vii) Concentration of Deposits, Advances, Exposures and NPAs.

(viii) Sector-wise NPAs.

(ix) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad).

(x) Off-balance sheet SPVs sponsored.

47 IMPACT OF COVID

The Company is an investing company for the group. The Company has its investments in subsidiaries and associates of the group. In lights of the Covid-19 outbreak and based on the information available upto the date of the approval of these financial statements, the Company has assessed its liquidity position for the next one year.

The Company has further assessed the recoverability and carrying value of its assets comprising of Property, Plant and Equipment and Investments as at March 31, 2022, and has concluded that there are no material adjustments required in the financial information, other than those already considered. However, the impact assessment of COVID-19 is a continuing process and the Company will continue to monitor the same. The Company will also monitor any material changes to future economic conditions.

48 The figures of ₹ 50,000 or less have been denoted by β.

49 Previous year numbers have been regrouped / rearranged wherever necessary, in order to make them comparable.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IDFC LIMITED
Report on the audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of IDFC Limited ("the Holding Company" or "the Parent" or "the Company") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which comprise the consolidated balance sheet as at 31 March 2022 and the consolidated statement of profit (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint venture as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2022, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

4. We draw attention to Note 40(a) of the Consolidated Financial Statements, which highlights that as part of simplification of corporate structure, the Board of Directors of the Parent along with its three wholly owned subsidiaries (WOS) IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited, approved the merger of WOS into the Parent, subject to regulatory approvals from various authorities. Post Board approval, the Parent along with its three WOS has filed scheme of amalgamation with Official Liquidator (OL) – Chennai and with Regional Director(RD)/Registrar of Companies (ROC) – Chennai on 06 December 2021. The financial statements of these subsidiaries have been prepared on realisable value basis and accordingly, all assets and liabilities are stated at the value at which they are expected to be realised/ settled. The ROC, Chennai vide its letter dated 01 February 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the Official Liquidator of Madras High Court vide its letter dated 24 March 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited. Our opinion is not modified in respect of this matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
Assessment of valuation of investments measured at fair value for which no listed price in an active market is available and valuation is carried out basis market information and significant unobservable inputs. (Refer note 6 to the consolidated financial statements.) The Group has investments in Venture Capital Funds ("VCF") units amounting to ₹ 301.26 crores measured at fair value, where no listed price in an active market is available. The corresponding fair value change is recognised in statement of profit and loss in accordance with related Accounting Standard (Ind-AS 109). In measuring the fair value of these investments, the Management considers the Net Asset Value ("NAV") declared by the investment managers of the VCF unit. NAV is considered as a significant unobservable input as the Company does not have direct access to the valuations of the underlying portfolio companies in which the VCFs have invested.	The following procedures were performed by us to test the valuation of investments which are measured at fair value for which no listed price in an active market is available: • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's control over assessment of fair value of investments. • We verified that requisite approvals are in place with regards to Management's assessment of fair valuation of investments in VCF. • We traced the inputs used in the calculation from the source data (Statement of Accounts, NAV declared etc.) to verify the arithmetical accuracy of the calculation of valuation of investments.

The Management also reviews the performance of the portfolio companies on a regular basis by tracking the latest available financial statements/financial information, valuation report of independent valuers, investor communications and basis the said assessment determines whether any discount is required to be applied on the NAV communicated by the investment managers of VCF. The assessment made by the Management also takes into consideration the illiquidity considering the said investments are not actively traded in the market. The assessment prepared by the Management is placed before the Board of Directors for their approval at regular intervals. Considering the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the consolidated financial statements and the nature and extent of the audit procedures involved, we determined this to be a key audit matter.	• We evaluated the adequacy of the disclosures in the consolidated financial statements. Based on our above audit procedures, we consider that the management's assessment of the fair value of the above investments for which no listed price in an active market is available is reasonable.

Other Information

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

7. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

8. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's responsibility for the Consolidated Financial Statements

9. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    13.1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    13.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.

    13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

    13.4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

    13.5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    13.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. We did not audit the financial statements of Five subsidiaries, whose financial statements reflect total assets of ₹ 9,907.57 crore (before consolidation adjustments) as at 31 March 2022, total revenue of ₹ 765.13 crore (before consolidation adjustments), total net profit after tax of ₹ 467.62 crore (before consolidation adjustments) and Total comprehensive income of ₹ 468.50 crore (before consolidation adjustments) and Net cash inflow of ₹ 191.84 crore (before consolidation adjustments) as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit after tax of ₹ 7.30 crore and total comprehensive gain of ₹ 134.33 crore for the year ended 31 March 2022, as considered in the Consolidated Financial Statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

18. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ Nil as at 31 March 2022, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit/loss of ₹ Nil for the year ended 31 March 2022, as considered in the Consolidated Financial Statements, in respect of two associates and three joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us

by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of section 143(3) of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these unaudited financial statements are not material to the Group.

19. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

20. The comparative financial statements of the Company for the year ended 31 March 2021 included in Consolidated Financial Statements, were audited by the then statutory auditors "Price Waterhouse & Co Chartered Accountants LLP" whose audit report dated 14 June 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

21. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, associates and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

    21.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    21.2. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    21.3. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

    21.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    21.5. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture incorporated in India, none of the directors of the Group companies, its associate companies and joint venture incorporated in India are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    21.6. With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

    21.7. In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India is not in excess of the limit laid down under Section 197 of the Act.

22. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, associates and joint venture, as noted in the 'Other Matters' paragraph:

    22.1. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, its associates and joint venture – Refer Note 36 and note 46(b)(i) to the consolidated financial statements.

    22.2. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2022 - Refer (a) Note 44.3 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) Note 46 for the Group's share of net profit/loss in respect of its associates.

    22.3. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its subsidiary companies, associate companies and joint venture incorporated in India during the year ended 31 March 2022.

    22.4. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies),

including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

22.5. The management has represented that no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

22.6. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year the Group is in compliance with Section 123 of the Act.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AJHJBF4698

Place: Mumbai
Date: May 20, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Annexure "A" to the Independent Auditors' report on the Consolidated Financial Statements of IDFC Limited for the year ended 31 March 2022

(Referred to in paragraph "21.6" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of IDFC Limited as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of IDFC Limited ("the Holding Company") and its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, as of that date.

2. In our opinion, the Holding Company, and its subsidiary companies, its associate companies and its joint venture companies , which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's responsibility for Internal Financial Controls

3. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and its joint venture companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Holding Company, its subsidiaries, its associates and joint ventures, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ("SA"), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial controls with reference to the Consolidated Financial Statements

7. A company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the consolidated Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to five subsidiary companies and three associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number: 105146W/W100621

Gautam V Shah
Partner
ICAI Membership No: 117348
UDIN: 22117348AJHJBF4698

Place: Mumbai
Date: May 20, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in crore)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	286.47	42.11
Bank balances other than cash and cash equivalents	4	1.55	23.38
Derivative financial instruments	13	-	0.54
Receivables			
(i) Trade receivables	5A	-	12.71
(ii) Other receivables	5B	2.01	0.05
Investments	6		
- Accounted for using equity method		7,401.21	6,818.02
- Others		301.26	567.77
Other financial assets	7	1.15	11.90
Non-financial assets			
Income tax assets (net)	8	18.98	26.29
Deferred tax assets (net)	9	-	10.34
Property, plant and equipment	10	0.17	16.05
Right of Use Asset	15	-	34.27
Goodwill	11a	-	779.17
Other intangible assets	11	-	4.56
Other non-financial assets	12	0.29	23.66
Assets directly associated with disposal group classified as held for sale	33	1,151.01	-
Total assets		9,164.10	8,370.82
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables	14A		
(i) total outstanding dues of micro enterprises and small enterprises		-	0.04
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	12.66
(II) Other payables	14B		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		4.53	3.08
Lease liabilities	15	-	37.52
Other financial liabilities	16	3.25	38.82
Non-financial Liabilities			
Income tax liabilities (net)	17	-	14.60
Provisions	18	-	1.97
Deferred tax liabilities (net)	19	18.08	8.33
Other non-financial liabilities	20	1.36	38.92
Liabilities directly associated with disposal group classified as held for sale	33	210.24	-
EQUITY			
Equity share capital	21	1,596.44	1,596.36
Other equity	22	7,330.20	6,618.52
Equity attributable to owners of IDFC Limited		8,926.64	8,214.88
Total liabilities and equity		9,164.10	8,370.82

See accompanying notes to the consolidated financial statements.

This is the consolidated balance sheet referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
REVENUE FROM OPERATIONS			
Interest income	23	0.41	8.21
Net gain / (loss) on fair value changes	24	87.64	25.49
Total revenue from operations		88.05	33.70
Other income	25	9.77	47.43
Total income		97.82	81.13
EXPENSES			
Finance costs	26	0.48	10.43
Impairment on financial instruments	27	(0.75)	(4.31)
Loss on winding up of subsidiary		-	2.56
Employee benefits expenses	28	16.57	14.58
Depreciation, amortisation and impairment	29	3.55	3.45
Other expenses	30	25.85	42.30
Total expenses		45.70	69.01
Profit/(Loss) before share of net profits of investments accounted for using equity method and tax		52.12	12.12
Share of net profit/(loss) of associates accounted for using equity method		7.30	(464.34)
Profit/(Loss) before tax from continuing operations		59.42	(452.22)
INCOME TAX EXPENSE:	31		
- Current tax		45.72	24.90
- Deferred tax charge / (credit)		17.50	(6.57)
- Tax adjustment for prior years		(2.72)	7.01
Total tax expense		60.50	25.34
Profit/(Loss) from continuing operations		(1.08)	(477.56)
DISCONTINUED OPERATIONS			
Profit/(loss) from discontinued operations		127.33	185.85
Income tax expense of discontinued operations		61.94	45.03
Net profit/(loss) from discontinued operation		65.39	140.82
Profit/(loss) for the year		64.31	(336.74)
OTHER COMPREHENSIVE INCOME ('OCI')			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(0.10)	(0.03)
- OCI arising from discontinued operation		0.87	1.05
- Share of OCI of associates and joint ventures accounted for using equity method		18.50	(25.56)
- Income tax relating to these items		0.03	0.04
Items that will be reclassified to profit or loss			
- Share of OCI of associates and joint ventures accounted for using equity method		108.53	248.92
- OCI arising from discontinued operation		-	(0.25)
- Income tax relating to these items		-	-
Other comprehensive income (net of tax)		127.83	224.17
Total comprehensive income / (loss)		192.14	(112.57)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit/(Loss) is attributable to:			
- Owners		64.03	(336.02)
- Non-controlling interests		0.28	(0.72)
Other comprehensive income is attributable to:			
- Owners		127.83	224.17
- Non-controlling interests		-	-
Total comprehensive income is attributable to:			
- Owners		191.86	(111.85)
- Non-controlling interests		0.28	(0.72)
Total comprehensive income attributable to owners:			
- Continuing operations		125.88	(254.19)
- Discontinued operations		66.26	141.62
Earnings per equity share (for continuing operations):	35		
- Basic (₹)		(0.01)	(2.99)
- Diluted (₹)		(0.01)	(2.99)
Earnings per equity share (for discontinued operations):			
- Basic (₹)		0.41	0.88
- Diluted (₹)		0.41	0.88
Earnings per equity share (for continuing and discontinued operations):			
- Basic (₹)		0.40	(2.11)
- Diluted (₹)		0.40	(2.11)

See accompanying notes to the consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital (₹ in crore)

	Number	Amount
As at March 31, 2020	1,596,354,566	1,596.36
Issued during the year	-	-
As at March 31, 2021	1,596,354,566	1,596.36
Issued during the year	77,626	0.08
As at March 31, 2022	1,596,432,192	1,596.44

B. Other equity (₹ in crore)

	Reserves and surplus						Other comprehensive income		
	Securities premium	Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961	Special reserve u/s. 45-IC of the RBI Act, 1934	General reserve	Surplus in the statement of profit and loss	Share options outstanding account	Foreign currency translation reserve	Equity instru-ments through OCI	Total other equity
As at March 31, 2020	2,523.47	3,053.25	1,157.34	314.55	(365.42)	19.09	18.08	3.97	6,724.33
Loss for the year	-	-	-	-	(336.02)	-	-	-	(336.02)
Other comprehensive income / (loss)	-	-	-	-	224.17	-	-	-	224.17
Total comprehensive income for the year	-	-	-	-	(111.85)	-	-	-	(111.85)
Transactions with owners in their capacity as owners:									
- Share based payments:									
i) Employee stock option expense for the year	-	-	-	-	-	-	-	-	-
ii) Options exercised during the year	-	-	-	-	-	-	-	-	-
iii) Options lapsed during the year	-	-	-	-	-	(3.34)	-	-	(3.34)
iv) Options cancelled during the year	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	(3.76)	-	-	-	(3.76)
- Share of reserves of associates accounted using equity method of accounting net of deferred tax	-	-	-	-	13.14	-	-	-	13.14
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
- Transfers to/ from:									
i) Special reserve u/s. 45-IC of the RBI Act, 1934	-	-	11.81	-	(11.81)	-	-	-	-
ii) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [refer note 22C (f)]	-	(411.02)	-	-	411.02	-	-	-	-
iii) Foreign currency translation reserve [refer note 22C (g)]	-	-	-	-	18.05	-	(18.05)	-	-
As at March 31, 2021	2,523.47	2,642.23	1,169.15	314.55	(50.63)	15.75	0.03	3.97	6,618.52

(₹ in crore)

As at March 31, 2021	2,523.47	2,642.23	1,169.15	314.55	(50.63)	15.75	0.03	3.97	6,618.52
Profit for the year from continuing operations	-	-	-	-	64.03	-	-	-	64.03
Other comprehensive income / (loss)	-	-	-	-	127.83	-	-	-	127.83
Total comprehensive income for the year	-	-	-	-	191.86	-	-	-	191.86
Transactions with owners in their capacity as owners:									
- Share based payments:									
i) Employee stock option expense for the year	-	-	-	-	-	2.01	-	-	2.01
ii) Options exercised during the year	0.31	-	-	-	-	-	-	-	0.31
iii) Options lapsed during the year	-	-	-	-	-	-	-	-	-
iv) Options cancelled during the year	-	-	-	10.45	-	(11.04)	-	-	(0.59)
- Others	-	-	-	-	(36.39)	-	-	-	(36.39)
- Share of reserves of associates accounted using equity method of accounting net of deferred tax	-	-	-	-	554.46	-	-	-	554.46
- Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
- Transfers to/ from:									
i) Special reserve u/s. 45-IC of the RBI Act, 1934	-	-	70.83	-	(70.83)	-	-	-	-
ii) Foreign currency translation reserve [refer note 22C (g)]	-	-	-	-	-	-	0.02	-	0.02
iii) Equity instruments through OCI	-	-	-	-	3.97	-	-	(3.97)	-
As at March 31, 2022	2,523.78	2,642.23	1,239.98	325.00	592.44	6.72	0.05	-	7,330.20

Total equity (primarily surplus in statement of profit and loss) includes ₹ (1.29) crores (March 31, 2021: ₹ 32.98 crores) pertaining to IDFC Foundation held for specified purposes.

See accompanying notes to the consolidated financial statements.

This is the consolidated statement of changes in equity referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Gautam V Shah
Partner
Membership Number: 117348

Anil Singhvi
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(DIN: 00239589)

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Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

Mumbai, May 20, 2022

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in crore)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES :			
Profit/(Loss) before tax from:			
- Continuing operations		59.42	(452.22)
- Discontinued operations		127.33	185.85
- Other Comprehensive Income		127.83	224.17
Profit / (loss) before tax including discontinued operations		314.58	(42.20)
Adjustments :			
Depreciation, amortisation and impairment	29	3.55	3.45
Net loss on sale of property, plant and equipments	25 & 30	1.84	16.51
Impairment of financial instruments	27	(0.75)	(4.31)
Employee share based payment expense	28	1.54	(0.28)
Net loss on sale of investments including fair valuation	24	(87.64)	(25.49)
Loss on winding up of subsidiary		-	2.56
Interest expense	26	0.48	10.43
Interest income	23	(0.41)	(8.21)
Operating profit / (loss) before working capital changes		233.19	(47.54)
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables	5	10.75	5.69
Other financial assets	7 & 13	12.21	13.86
Other non financial assets	12	23.37	10.95
Adjustments for increase/ (decrease) in operating liabilities			
Trade payables	14	(11.25)	2.01
Other financial liabilities	16	(32.76)	(32.35)
Other non financial liabilities	18 & 20	(77.04)	(8.82)
Cash (used in) / generated from operations		(74.72)	(8.66)
Less : Income taxes paid (net of refunds)		(109.65)	(46.03)
Net cash inflow / (outflow) from operating activities		48.82	(102.23)
CASH FLOW FROM INVESTING ACTIVITIES :			
Proceeds from sale of disposal group classified as held for sale	33	(161.61)	74.04
Decrease / (Increase) in investments *	6	288.92	(679.22)
Decrease / (Increase) in property, plant and equipments	10 & 11	15.05	52.95
Right of use Assets	15	34.27	11.37
Interest received		0.25	9.17
Bank fixed deposits places / matured	4	21.83	22.72
Net cash inflow / (outflow) from investing activities		198.71	(508.97)
CASH FLOW FROM FINANCING ACTIVITIES :			
Issue of fresh equity shares		0.39	-
Interest paid	26	(0.48)	(10.44)
Decrease in minority interest		(3.08)	(14.15)
Net cash inflow / (outflow) from financing activities		(3.17)	(24.59)
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES		244.36	(635.79)
Add : Cash and cash equivalents at beginning of the year	3	42.11	677.90
Cash and cash equivalents at end of the year	3	286.47	42.11

*Proceeds from disposal / redemption of investments include ₹ 8.87 crores (March 31, 2021: ₹ 4.28 crore) held by IDFC Foundation, formed for conducting corporate social responsibility activities of the Group.

The accompanying notes are integral part of these financial statements.

This is the statement of cash flow referred to in our report of even date.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

BACKGROUND

IDFC Limited ('the Company') is a public limited company incorporated in India under the provisions of Companies Act, applicable in India and is a Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI' The registered office of the Company is located 4th Floor, Capitale Tower, 555 Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet Chennai – 600 018 , Tamil Nadu and corporate office located at 906/907, 9th Floor, Embassy Centre, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021.

The Company had received in principle approval from the RBI to set up a new private sector bank in April 2014. Since October 1, 2015 the Company is operating as NBFC – Investment (NBFC – I).

These financial statements are for the group consisting the Company, its subsidiaries and associates. The Group has interests in Banking and Asset Management business. In accordance with RBI guideline on licensing of new bank in private sector, the Group has implemented Holding Company structure through its 100% subsidiary, IDFC Financial Holding Company Limited ('IDFC FHCL'). Under the guidelines, all regulated financial services entities should be held through a Non-Operating Financial Holding Company. Non-financial services entities i.e. IDFC Projects Limited, IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Foundation are direct subsidiaries of the Company.

All investment in regulated financial subsidiaries i.e. IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited are held through its wholly owned subsidiary, IDFC FHCL. Investments in associates comprise of IDFC First Bank Limited which is also held through IDFC FHCL.

The shares of the Company and its associate IDFC First Bank Limited are listed on National Stock Exchange of India (NSE) Limited and Bombay Stock Exchange (BSE) Limited.

These consolidated financial statements were authorised for issue by the Board of Directors on May 20, 2022.

The Company along with its three wholly owned subsidiaries viz. IDFC Projects Limited, IDFC Trustee Company Limited and IDFC Alternatives Limited has filed scheme of amalgamation with Official Liquidator ('OL') – Chennai on December 06, 2021 and to Regional Director ('RD') /Registrar of Companies ('ROC') – Chennai through GNL-1 form on December 06, 2021 seeking their objections / suggestions to the said scheme under Section 233 (1) (a) of the Companies Act, 2013 and rules made thereunder. Physical copies of the same have also been filed with the ROC on December 08, 2021. Appointed date for the merger in the scheme is April 1, 2021

The ROC, Chennai vide its letter dated February 01, 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the OL of Madras High Court vide its letter dated March 24, 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amounts:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments.

(iii) Order of liquidity

The Group is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 and amendment to Division III of Schedule III to the Companies Act, 2013 on October 11, 2018, the Group presents its balance sheet in the order of liquidity. This is since the Group does not supply goods or services within a clearly identifiable operating cycle, therefore making such presentation more relevant. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 42.

b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions within Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Refer Note 2 for significant judgements and assumptions made in determining that the Group does not have control over certain entities it even though it holds more than half of their voting rights.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Refer Note 2 for significant judgements and assumptions made in determining that the Group has significant influence over certain entities it even though it holds less than 20% of their voting.

(iii) Joint ventures

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note e (ii) below.

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously

recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of IDFC Limited assesses the financial performance and position of the Group and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker, consists of the directors of the Group (both executive and independent). Refer note 34 for segment information presented.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is IDFC Limited's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of ex-change ruling at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other income/ expense in the statement of profit and loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

  Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e) Financial instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

(i) Classification and subsequent measurement of financial assets:

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Amortised cost

The classification requirements for debt and equity instruments are described below:

Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective such as loans, mutual fund units, venture capital fund and corporate bonds.

For investments in debt instruments, measurement will depend on the classification of debt instruments depending on:

(i) the Group's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Business model assessment

The business model reflects how the Group manages the assets to generate cash flows. The business model determines whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable or when performance of portfolio of financial assets managed is evaluated on a fair value basis, then the financial assets are classified as part of 'other' business model and measured at FVTPL. A portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective**.** The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- experience on how the cash flows for these assets were collected,
- how the asset's performance and the business model is evaluated and reported to key management personnel,
- the risks that affect the performance of the business model and how these risks are assessed and managed,
- how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Solely Payment of Principle and Interest ("SPPI") Assessment

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk associated with the principal amount outstanding, other basic lending risks (for e.g. liquidity risk) and a profit margin that is consistent with a basic lending arrangement. When assessing a financial asset with a modified time value of money element, the Group consider both qualitative and quantitative characteristics to determine whether the modified time value of money element provides consideration for just the passage of time.

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. Such changes are expected to be very infrequent and none occurred during the period.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. debentures, bonds etc. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Fair value through other comprehensive income: Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost that are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method, considering any discount/ premium and qualifying transaction costs being an integral part of instrument.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through OCI, are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the statement of profit and loss within other gains/(losses) in the period in which it arises.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

The Group has designated at FVOCI investments in a small portfolio of equity securities. The Group chose this presentation alternative because the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

Gains and losses on equity investments at FVTPL are included in the statement of profit or loss.

(ii) Impairment

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its financial instrument. The Group recognises a loss allowance for such losses at each repotting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money, and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 44 provides more detail of how the expected credit loss allowance is measured

Interest Income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance). The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts paid or received that are integral to the effective interest rate, such as origination fees, commitment fees, etc.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

(iii) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- significant extension of the loan term when the borrower is not in financial difficulty.
- significant change in the interest rate.
- change in the currency the loan is denominated in.
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset, recognises a 'new' asset at fair value, and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(iv) **De-recognition of financial assets**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

(i) the Group transfers substantially all the risks and rewards of ownership, or

(ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

(i) **Classification as debt or equity:**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(ii) **Classification and subsequent measurement**

Financial liabilities (including borrowings and debt securities) are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

(iii) **De-recognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. A substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of

a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

f) Derivative financial instruments

The Group holds derivative financial instruments to meet the investment objective of the fund or the product. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

g) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

h) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. A five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

(i) Brokerage fees income

a) Brokerage fees – over time

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised over the term of the contract.

b) Brokerage fees – point in time

Revenue from contract with customer is recognised point in time when performance obligation is satisfied (when the trade is executed). These include brokerage fees which is charged per transaction executed.

(ii) Interest Income

Interest income is recognised using effective interest rate method.

(iii) Dividend income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

(iv) Fees, commission and other income

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. Fees and commission that are not integral to effective interest rate are recognised on accrual basis over the life of instrument.

Fees integral to the effective interest rate include origination fees, commissions received or paid by the Group relating to the creation or acquisition of a financial asset or issuance of a financial liability. Loan origination fees is deferred as a part of interest income under the effective interest rate method.

All other fees, commissions and other income and expense items are generally recognised on an accrual basis by reference to completion of the specific transaction assessed based on the actual service provided as a proportion of the total services to be provided, except guarantee commission which is recognised pro-rata over the period of the guarantee.

Asset management and other service fees principally includes asset-based asset management fees, which are recognized in the period in which the services are performed. In certain asset management fee arrangements, the Group is entitled to receive performance-based incentive fees when the return on assets under management exceeds certain benchmark returns or other performance targets. The Group may be required to return all, or part, of such performance-based incentive fee depending on future performance of these assets relative to performance benchmarks. The Group records performance-based incentive fee revenue when the contractual terms of the asset management fee arrangement have been satisfied such that the performance fee is no longer subject to claw back or contingency. Under this principle the Group records a deferred performance-based incentive fee liability to the extent it receives cash related to the performance-based incentive fee prior to meeting the revenue recognition criteria delineated above.

Revenue from power supply is accounted on accrual basis unless there is any uncertainty relating to its recovery.

i) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that enough taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

j) Goods and service tax

Expenses and assets are recognised net of the goods and services tax paid, except:

(i) when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

(ii) when receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

k) Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

For arrangements entered into prior to April 1, 2017, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

From April 1, 2019, leases are recognised as a right-of-use asset and corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group has is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Asset and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a indicative AAA equivalent borrowing rate.

Lease payment are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not more than any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

m) Cash and cash equivalents

For presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

n) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(i) Depreciation methods estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in which case life of asset has been assessed based on the technical advice.

a) Mobile Phone – 2 years b) Motor Cars – 4 years

Depreciation on additions during the year is provided on a pro-rata basis. Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

o) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Computer Software

Intangible assets comprising of computer software are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated amortisation. Any technology support cost or annual maintenance cost for such software is recognised as an expense when incurred. The Group amortises intangible assets using straight-line method over a period of three years**.**

p) Impairment of non-financial asset

i) As per IND AS 36 investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In assessing whether there is any impairment management considers indications through external and internal sources of information. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

ii) Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

q) Retirement and other employee benefits

(i) Defined contribution plan

The contribution to provident fund, superannuation fund and pension fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss as they fall due, based on the amount of contribution required to be made as and when services are rendered. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(ii) Defined benefit plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Compensated absences

Based on the leave rules of the Group companies, employees are not permitted to accumulate leave. Any unveiled privilege leave to the extent encashable is paid to the employees and charged to the Statement of Profit and Loss for the year. Short term compensated absences are provided based on estimates of availment / encashment of leaves.

r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t) Share-based payments

The Holding Company and two of its subsidiaries has formulated Employee Stock Option Schemes ('the ESOS') in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / 2014 ('the Guidelines'). The ESOS provides for grant of stock options to employees (including employees of subsidiary companies) to acquire equity shares of the Holding Company / Subsidiary Company that vest in a graded manner and that are to be exercised within a specified period.

Fair value is determined by using option valuation models, which consider the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. When the options are exercised, the exercise price proceeds together with the amount initially recorded in equity are credited to common shares.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the period of non-market vesting conditions getting fulfilled. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 45 for details.

u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for

  bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceed.

w) Dividends

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

x) Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest "crores" as per the requirement of Schedule III, unless otherwise stated.

y) New and amended standards adopted

There are no new standards and amendments applicable to the Company for the annual reporting period commencing on April 1, 2021.

2. SIGNIFICANT ACCOUNTING JUDGMENTS ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 44.

b) Consolidation decision

For details regarding consolidation of;

i) Entity where shareholding is more than 50%, as an associate, and

ii) Section 8 company, as a subsidiary, Refer note 46.

3. CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Cash on hand	ß	4.26
Balances with banks:		
- In current accounts	61.48	36.55
- In saving accounts *	1.29	1.30
- In deposit accounts	223.70	-
Total	286.47	42.11

* Balances pertaining to IDFC Foundation held for specified purposes.

i) The Group has not taken bank overdraft, therefore the cash and cash equivalents for the cash flow statement is same as cash and cash equivalents given above.

4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- In earmarked accounts		
Investor education awareness on behalf of IDFC mutual fund	-	2.50
Unclaimed dividend	1.45	1.85
- In deposit accounts*	0.10	19.03
Total	1.55	23.38

*Includes ₹ 0.10 crores (March 31, 2021: ₹ 3.47 crores) pertaining to IDFC Foundation held for specified purposes.

5A. TRADE RECEIVABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	-	12.71
Receivables - Credit impaired	-	5.90
(less): Allowance for impairment loss	-	(5.90)
Total	-	12.71

Aging of trade receivables: as at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables considered good	-	-	12.71	-	-	-	-	12.71
Disputed trade receivables	-	-	-	-	-	-	-	-

5B. OTHER RECEIVABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Receivables considered good - Unsecured	2.01	0.05
Receivables - Credit impaired	-	-
(less): Allowance for impairment loss	-	-
Total	2.01	0.05

i) No trade receivables and other receivables are due from director or other officer of the Group either severally or jointly with any other person.

ii) No trade receivables and other receivables are due from firms or private companies (including LLPs) in which any director of the Group is a partner, a director or a member.

6. INVESTMENTS (₹ in crore)

	At fair value through				
	Other comprehensive income	Profit or loss	Subtotal	Others*	Total
As at March 31, 2022					
Venture Capital Fund (VCFs)@	-	301.26	301.26	-	301.26
Associates	-	-	-	7,401.21	7,401.21
Joint Ventures	-	-	-	105.60	105.60
Total (A) - Gross	-	301.26	301.26	7,506.81	7,808.07
(Less): Impairment loss allowance (See note a below)	-	-	-	(105.60)	(105.60)
Total (A) - Net	-	301.26	301.26	7,401.21	7,702.47
Investments outside India	-	-	-	-	-
Investments in India	-	301.26	301.26	7,506.81	7,808.07
Total (B) - Gross	-	301.26	301.26	7,506.81	7,808.07
(Less): Impairment loss allowance	-	-	-	(105.60)	(105.60)
Total (B) - Net	-	301.26	301.26	7,401.21	7,702.47

a) IDFC Foundation a wholly owned subsidiary, holds investments in two joint venture entities namely Delhi Integrated Multi Modal Transit Systems Limited and Infrastructure Development Corporation (Karnataka) Limited ("JV entities"). Board of Directors of the Holding Company has approved the divestment of these JV entities and have taken necessary steps for the same accordingly, these entities are being classified as assets held for sale. As per IndAS 105 Non-Current Assets Held for Sale needs to be valued at lower of the carrying cost and net realisable value. IDFC Foundation, being a Section 8 company, it prohibits payment of dividend and repatriation of capital back to shareholder, accordingly, the net realisable value of said asset held for sale for the Holding Company is considered as Nil and the figure for the year ended March 31, 2022 are net of write down of ₹ 105.60 crore which was the carrying value of these JV entities.

(₹ in crore)

	At fair value through				
	Other comprehensive income	Profit or loss	Subtotal	Others*	Total
As at March 31, 2021					
Mutual fund units #	-	348.30	348.30	-	348.30
Venture Capital Fund (VCFs)@	-	197.85	197.85	-	197.85
Equity instruments	0.05	21.56	21.61	-	21.61
Associates	-	-	-	6,714.85	6,714.85
Joint Ventures	-	-	-	105.60	105.60
Trustee Units	-	0.01	0.01	-	0.01
Total (A) - Gross	0.05	567.72	567.77	6,820.45	7,388.22
(Less): Impairment loss allowance (see note ii)	-	-	-	(2.43)	(2.43)
Total (A) - Net	0.05	567.72	567.77	6,818.02	7,385.79
Investments outside India	-	-	-	-	-
Investments in India	0.05	567.72	567.77	6,820.45	7,388.22
Total (B) - Gross	0.05	567.72	567.77	6,820.45	7,388.22
(Less): Impairment loss allowance	-	-	-	(2.43)	(2.43)
Total (B) - Net	0.05	567.72	567.77	6,818.02	7,385.79

* Investment in associates and joint ventures measured using equity method of accounting as per Ind AS 28 are classified as others.

\# Includes ₹ Nil (March 31, 2021: ₹ 8.63 crores) pertaining to IDFC Foundation held for specified purposes.

@ The above investments in venture capital units are subject to restrictive covenants.

i) The investment in certain equity shares are strategic investments and not held for trading purpose. Therefore, the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss and the Group considered this to be more relevant.

ii) Performance of Novopay Solutions Private Limited (Associate of the Group) has lead to substantial erosion of its net worth. Accordingly investment has been completely impaired.

iii) More information regarding the valuation methodologies are disclosed in Note 43.

7. OTHER FINANCIAL ASSETS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Interest accrued on deposits / other advances	0.41	0.25
Security deposits	0.29	12.16
Other receivables	0.05	1.25
Other deposits	0.63	0.32
Total (A) - Gross	1.38	13.98
(Less): Impairment loss allowance	(0.23)	(2.08)
Total (B) - Net	1.15	11.90

8. INCOME TAX ASSETS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Advance payment of fringe benefit tax (net of provision)	-	0.01
Advance payment of Income tax (net of provision)	18.98	26.28
Total	18.98	26.29

9. DEFERRED TAX ASSETS

The balance comprises temporary differences attributable to:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Lease Liability	-	7.87
Security Deposit	-	0.70
Property, plant and equipments	-	1.77
Total	-	10.34

10. PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

	Buildings	Leasehold improve-ments	Furniture and fixtures	Vehicles	Office Equipments	Computers	Windmills	Total
Year ended March 31, 2021								
Opening gross carrying amount	42.79	7.81	1.77	2.22	2.67	12.99	59.96	130.21
Additions	-	4.95	0.25	0.75	0.66	2.28	-	8.89
Disposals	(42.79)	(3.68)	(0.04)	(0.03)	(0.01)	(0.01)	(59.96)	(106.52)
Closing gross carrying amount	-	9.08	1.98	2.94	3.32	15.26	-	32.58
Accumulated depreciation								
Opening accumulated depreciation	7.08	5.27	0.70	1.14	1.74	6.32	21.96	44.21
Depreciation charge during the year	-	0.03	0.01	0.06	0.02	0.07	1.43	1.62
Depreciation charge included in discontinued operations	-	1.22	0.11	0.46	0.49	2.44	-	4.72
Disposals	(7.08)	(3.48)	(0.02)	(0.03)	(0.01)	(0.01)	(23.39)	(34.02)
Closing accumulated depreciation	-	3.04	0.80	1.63	2.24	8.82	-	16.53
Net carrying amount as at March 31, 2021	-	6.04	1.18	1.31	1.08	6.44	-	16.05
Year ended March 31, 2022								
Gross carrying amount								
Opening gross carrying amount	-	9.08	1.98	2.94	3.32	15.26	-	32.58
Additions	-	0.32	0.05	-	ß	0.07	-	0.44
Assets included in disposal group classified as held for sale	-	(5.99)	(1.94)	(2.66)	(3.17)	(13.33)	-	(27.09)
Disposals	-	(3.41)	(0.09)	ß	(0.12)	(0.04)	-	(3.66)
Closing gross carrying amount	-	-	-	0.28	0.03	1.96	-	2.27
Accumulated depreciation								
Opening accumulated depreciation	-	3.04	0.80	1.63	2.24	8.82	-	16.53
Depreciation charge during the year [see note (b)]	-	1.76	0.03	0.08	0.10	0.06	-	2.03
Assets included in disposal group classified as held for sale	-	(3.04)	(0.83)	(1.55)	(2.32)	(6.96)	-	(14.70)
Disposals	-	(1.76)	-	-	-	-	-	(1.76)
Closing accumulated depreciation	-	-	-	0.16	0.02	1.92	-	2.10
Net carrying amount as at March 31, 2022	-	-	-	0.12	0.01	0.04	-	0.17

a) During the preceding year, based on the Business Transfer Agreement executed on August 14, 2020, windmills has been sold to Champak Pragati Foundation for aggregate consideration of ₹ 20.34 crore. The Holding Company had recognised loss of ₹ 16.57 crore on sale on Windmill. Post the sale of Windmills, transfer application was made to Rajasthan Renewable Energy Corporation (RRECL) for transfer of Power Purchase Agreement (PPA) in favour of the buyer which has been transferred in current year. The Holding Company had received part consideration and balance amount of ₹ 2.32 crore was to be received post PPA transfer, which the Holding Company has received during the current financial year. As on March 31, 2022 there is no balance outstanding pertaining to sale of Windmills.

b) Depreciation amounting ₹ Nil (Preceding year ₹ 0.18 crores) has been recovered from sub leased tenants and hence no impact of depreciation can be seen in Statement of profit and loss.

11. INTANGIBLE ASSETS

(₹ in crore)

	Computer software	Total
Year ended March 31, 2021		
Opening gross carrying amount	13.12	13.12
Additions	0.90	0.90
Disposals and transfers	(0.58)	(0.58)
Closing gross carrying amount	13.44	13.44
Accumulated amortisation		
Opening accumulated amortisation	5.62	5.62
Amortisation during the year	3.62	3.62
Disposals and transfers	(0.36)	(0.36)
Closing accumulated amortisation	8.88	8.88
Net carrying amount as at March 31, 2021	4.56	4.56
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	13.44	13.44
Additions	-	-
Assets included in a disposal group classified as held for sale	(13.44)	(13.44)
Disposals and transfers	-	-
Closing gross carrying amount	-	-
Accumulated amortisation		
Opening accumulated amortisation	8.88	8.88
Amortisation during the year	-	-
Assets included in a disposal group classified as held for sale	(8.88)	(8.88)
Disposals and transfers	-	-
Closing accumulated amortisation	-	-
Net carrying amount as at March 31, 2022	-	-

a) Impairment tests for goodwill on consolidation

For the purpose of impairment testing, goodwill is allocated to a cash generating unit (CGU), representing the lowest level within the Group at which goodwill is monitored for internal management purposes. The Group tests whether goodwill has suffered any impairment on an annual basis. The goodwill pertaining to the CGU's are as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
CGU's of IDFC Asset Management Company Limited [Refer note (i) below]	-	779.17
Total	-	779.17

i) IDFC Asset Management Company Limited

The Board of Directors of IDFC Limited and IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC Asset Management Company Limited ('IDFC AMC') along with IDFC AMC Trustee Company Limited ('IDFC AMC Trustee') and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by the Company to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited, Infinity Partners (affiliates of ChrysCapital) ('Proposed Transaction'). The consideration for the Proposed Transaction is ₹ 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure.

The Proposed Transaction will be completed upon receipt of requisite regulatory and other approvals, as applicable, and completion of closing related actions mutually agreed between the parties.

It is highly probable that the said sale transaction will be completed in the next 12 months. Accordingly the investment in IDFC AMC and IDFC AMC Trustee is classified as assets held for sale as on March 31, 2022.

Further, as the fair value less cost of sale is more than the carrying value of the investment; hence no impairment loss has been considered for recognition.

During the preceding year, the carrying amount did not exceed the recoverable amount of the cash generating units and hence no impairment was recorded for the year ended March 31, 2021.

12. OTHER NON-FINANCIAL ASSETS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	0.21	6.76
Supplier advances	-	0.88
Balances with government authorities - cenvat credit available	1.96	13.61
Other advances	0.08	5.01
Advances to Employees	-	0.07
Less: Allowance for impairment loss	(1.96)	(2.67)
Total	0.29	23.66

13. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivatives as per its funds investment strategies i.e long / short investment approaches. Derivative instruments are held for generating returns as per funds investment strategy purposes and not limited to risk management purpose.

Details of the derivative instrument in which the funds invests includes Equity and Index Futures and Options. The details of the derivative instrument is given below:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Fair value assets		
- Equity options (at fair value)	-	0.54
	-	0.54
Fair value liabilities		
- Equity futures (at fair value)	-	-
Total	-	-

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments is market rate risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 44.

14A. TRADE PAYABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	-	0.04
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	12.66
Total	-	12.70

Aging of trade payables: as at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables								
Micro enterprises and small enterprises	-	-	0.04		-	-	-	0.04
Others	7.74		3.94	0.20	0.20	0.27	0.31	12.66
Disputed trade receivables								
Micro enterprises and small enterprises	-	-		-	-	-	-	-
Others	-	-	-	-	-	-	-	-

14B. OTHER PAYABLES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4.53	3.08
Total	4.53	3.08

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information received from suppliers regarding their status under the said act as available with the Group and is as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Outstanding principal amount and interest due to suppliers registered under MSMED Act and remaining unpaid at the year end:		
- Principal amount	-	0.04
- Interest due thereon	-	-
Interest paid other than under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Interest paid under section 16 of MSMED Act, to suppliers registered under MSMED Act, beyond the appointed day during the period.	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid).	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

15. LEASES

The Group leases various offices. Rental contracts are typically made for fixed periods of 11 months to 9 years, but may have extension options as described in (iii) below.

(i) Amount recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Buildings	-	34.27
Total	-	34.27

	As at March 31, 2022	As at March 31, 2021
Lease Liabilities		
Within one year	-	9.53
More than one year	-	27.99
Total	-	37.52

	As at March 31, 2022	As at March 31, 2021
Provision: Asset Restoration Obligations		
Current	-	-
Non-current	-	0.21
Total	-	0.21

Addition to the right-of-use assets during the preceding year ₹ 0.51 crores.

Deletion to the right-of-use assets during the preceding year ₹ 0.32 crores.

(ii) Amount recognised in the statement of profit and loss

The statement of profit and loss account shows the following amounts relating to leases:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Depreciation charge of right-of-use assets		
Buildings	-	10.49
Total	-	10.49

	As at March 31, 2022	As at March 31, 2021
Interest expense	-	3.24
Expense relating to short-term leases	-	2.04
Other income - interest on unwinding of deposit	-	(0.19)
Total	-	5.09

The total cash outflow for leases for the year ended March 31, 2021 was ₹ 11.91 crores.

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

16. OTHER FINANCIAL LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend	1.45	1.85
Amount payable to Minority shareholder	-	2.81
Employee benefit payable	1.80	34.16
Total	3.25	38.82

17. INCOME TAX LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Provision for income tax (net of advance tax)	-	14.60
Total	-	14.60

18. PROVISIONS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Provision for gratuity [Refer note 32(b)]	-	1.76
Asset Restoration Obligations *	-	0.21
Total	-	1.97

* Movement in Asset Restoration Obligations

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
At the beginning of year	0.21	-
Provision created during the year#	-	0.21
Provision included in a disposal group classified as held for sale	(0.21)	-
Reversed during the year	-	-
At the end of year	-	0.21

It includes the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, amounting to ₹ 0.21 crore as at March 31, 2021 referred to as Asset Restoration Obligation.

19. DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipments	-	7.06
Financial assets at fair value through profit or loss	18.08	5.69
Cash settled share based payments	-	(4.42)
Total deferred tax liabilities	18.08	8.33

20. OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Liabilities for restricted grants*	-	3.74
Cash settled share based payments	-	17.56
Statutory dues	1.36	17.00
Other Payables	-	0.62
Total	1.36	38.92

* Liabilities for restricted grants includes ₹ 3.74 crores as at March 31, 2021 pertaining to IDFC Foundation held for specified purposes.

21. EQUITY SHARE CAPITAL

(₹ in crore)

	As at March 31, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Authorised shares				
Equity shares of ₹ 10 each	4,000,000,000	4,000.00	4,000,000,000	4,000.00
Preference shares of ₹ 100 each	100,000,000	1,000.00	100,000,000	1,000.00
Issued, subscribed & fully paid-up shares				
Equity shares of ₹ 10 each	1,596,435,942	1,596.44	1,596,358,316	1,596.36
Total	1,596,435,942	1,596.44	1,596,358,316	1,596.36

a) Movements in equity share capital

(₹ in crore)

	As at March 31, 2022		As at March 31, 2021	
	Number	₹	Number	₹
Outstanding at the beginning of the year	1,596,358,316	1,596.36	1,596,358,316	1,596.36
Shares issued during the year	77,626	0.08	-	-
Outstanding at the end of the year	1,596,435,942	1,596.44	1,596,358,316	1,596.36

b) Terms and rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing annual general meeting, except in case of interim dividend.

c) Shares reserved for issue under options

Information relating to the IDFC Limited Employee Stock Option Scheme (ESOS), including details regarding options issued, exercised and lapsed during the year and options outstanding at the end of the reporting period is set out in note 45.

d) Details of shareholders holding more than 5% of the shares in the Group

Equity shareholders	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
President of India	261,400,000	16.37%	261,400,000	16.37%

22A. OTHER EQUITY

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Surplus in the statement of profit and loss	592.44	(50.63)
Securities premium	2,523.78	2,523.47
General reserve	325.00	314.55
Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961	2,642.23	2,642.23
Statutory reserves	1,239.98	1,169.15
Share options outstanding account	6.72	15.75
FVOCI - equity investments	-	3.97
Foreign currency translation reserve	0.05	0.03
Total	7,330.20	6,618.52

a) Surplus in the statement of profit and loss (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	(50.63)	(365.42)
Net profit for the period	64.03	(336.02)
Other comprehensive income	127.83	224.17
Share based payments		
- Others	(36.39)	(3.76)
- Share of reserves of associates accounted using equity method of accounting net of deferred tax	554.46	13.14
Transfers to/ from :		
- Special reserve u/s. 45-IC of the RBI Act,1934	(70.83)	(11.81)
- Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [refer note 22C (f)]	-	411.02
- Foreign currency translation reserve [refer note 22C (g)]	-	18.05
- Equity instruments through OCI	3.97	-
Closing Balance	592.44	(50.63)

b) Securities premium (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	2,523.47	2,523.47
Changes during the year	0.31	-
Closing balance	2,523.78	2,523.47

c) General reserve (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	314.55	314.55
Appropriations during the year	10.45	-
Closing balance	325.00	314.55

d) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	2,642.23	3,053.25
Appropriations during the year	-	(411.02)
Closing balance	2,642.23	2,642.23

e) Special reserves u/s 45-IC of RBI Act, 1934 (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	1,169.15	1,157.34
Appropriations during the year	70.83	11.81
Closing balance	1,239.98	1,169.15

f) Share options outstanding account (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	15.75	19.09
Employee stock option expense for the year	2.01	-
Options cancelled during the year	(11.04)	(3.34)
Closing balance	6.72	15.75

22B. OTHER RESERVES (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
FVOCI - equity investments	-	3.97
Foreign currency translation reserve	0.05	0.03
Total	0.05	4.00

a) FVOCI - equity investments (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	3.97	3.97
Transfer to retained earnings	(3.97)	-
Closing balance	-	3.97

b) Foreign currency translation reserve (₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Opening balance	0.03	18.08
Exchange differences on translation of foreign operations	0.02	-
Transfer to retained earnings	-	(18.05)
Closing balance	0.05	0.03

22C. Nature and purpose of reserve

a) Securities premium

It is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at specified percentage in accordance with applicable regulations. The purpose of these transfer was to ensure that if dividend distribution in the given year is more than 10% of paid up capital of the Company of that year, then the total dividend distribution is less than the total distributable results of the year. Consequent to introduction of Companies Act, 2013, the requirement to transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

c) FVOCI - equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI - equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

d) Special reserves u/s 45-IC of RBI Act, 1934

As per section 45-IC of RBI Act, 1934, every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty per cent (20%) of its net profit every year as disclosed in the statement of profit or loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

e) Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee Stock Option Scheme (ESOS) over the vesting period. (Refer Note 45)

f) Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961

As per section 36(1)(viii) of Income tax act, 1961, deduction shall be allowed in respect of any special reserve created and maintained by specified entities, for an amount not exceeding twenty percent (20%) of the profits derived from eligible business (computed under the head "Profits and gains of business or profession" (before making any deduction under this clause) carried to such reserve account.

Provided that where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and of the general reserves of the specified entity, no allowance under this clause shall be made in respect of such excess.

Before demerger of its financing undertaking, the Holding Company was a notified public financial institution engaged in lending to infrastructure projects. The Holding Company had created special reserve u/s 36(1)(viii) of the Income Tax Act,1961 on profits derived from eligible business. The Holding Company has claimed deduction for the creation of these reserves in earlier years. Section 41(4A) states that, "Where a deduction has been allowed in respect of any special reserve created and maintained under clause (viii) of sub- section (1) of section 36, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income-tax as the income of the previous year in which such amount is withdrawn." During the preceding year, based on the legal opinion provided by the external legal advisor and in consultation with the tax consultant, the Holding Company transferred excess reserves of ₹ 411.02 crores on which deduction was not allowed in any of the previous years to "Surplus in the statement of profit and loss". The transfer of reserves in previous year was approved by the Board of Directors.

g) Foreign currency translation reserve

Exchange difference arising on translation of foreign operations are recognised in other comprehensive income as described in accounting policy are accumulated in special reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

23. INTEREST INCOME (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
On financial assets measured at amortised costs:		
Interest on investments	-	0.65
Interest on deposits with banks	0.41	7.56
Total	0.41	8.21

24. NET GAIN/(LOSS) ON FAIR VALUE CHANGES (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Net gain/(loss) on financial instruments at fair value through profit or loss (FVTPL)		
On trading portfolio		
- Debt instrument at FVTPL	-	-
On financial instruments designated at FVTPL	87.64	25.49
Total (A)	87.64	25.49
Fair value changes:		
Realised	12.81	10.10
Unrealised	74.83	15.39
Total (B)	87.64	25.49

25. OTHER INCOME (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on income tax refund	ß	0.44
Other interest	0.51	0.19
Other donations	0.01	0.40
Rental income	-	2.57
Restricted grants	5.18	8.39
Sitting fees	0.04	0.03
Gain on sale of property, plant and equipment	-	0.07
Sale of power	-	4.74
Reversal of provision of earlier years*	-	30.46
Miscellaneous income	4.03	0.14
Total	9.77	47.43

* Out of the above for details of reversal amounting to ₹ 22.63 crores refer note 37(b). The balance amount pertains to reversal of impairment on other receivables amounting to ₹ 7.83 crores as the same have been recovered during the preceding year.

26. FINANCE COST

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
On financial liabilities measured at amortised cost:		
- Interest expense on loan	-	9.53
Other borrowing costs	0.48	0.90
Total	0.48	10.43

27. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
On Financial instruments measured at Amortised Cost:		
Provision on doubtful debts	(0.75)	(4.31)
Total	(0.75)	(4.31)

28. EMPLOYEE BENEFIT EXPENSE

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	13.80	13.49
Contribution to provident and other funds [Refer note 32(a)]	0.95	0.97
Gratuity expense [Refer note 32(b)]	0.12	0.27
Employee share based payment expense [Refer note 45(d])	1.54	(0.28)
Staff welfare expense	0.16	0.13
Total	16.57	14.58

29. DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and impairment of property, plant and equipment (see note 10)	2.03	1.62
Depreciation on Right to Use Asset	1.52	1.83
Total	3.55	3.45

30. OTHER EXPENSES

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Rent	0.64	0.70
Rates and taxes	2.23	2.66
Electricity	0.07	0.06
Repairs and maintenance		
- Equipments	-	1.26
- Others	0.37	0.25
Insurance charges	0.14	0.16
Travelling and conveyance	0.12	0.26
Printing and stationery	0.02	0.01
Communication costs	0.11	0.32
Advertising and publicity	0.05	0.03
Professional fees	13.69	8.26
Directors' sitting fees	1.18	0.55
Commission to directors	0.94	0.85
Rent on termination of lease	1.44	-
Loss on disposal of property, plant and equipment (net) [refer note 10(a)]	1.84	16.57
Other financial asset written off	0.53	-
Contribution for corporate social responsibility (CSR) [Refer note (b) below]	1.01	-
Auditors' remuneration [refer note (a) below]	0.66	0.80
Shared service costs	0.25	-
Grants to implementing partners	0.12	1.13
Income tax write off	-	5.74
Bank charges	ß	0.02
Project expenses (COVID-19)	0.07	2.10
Miscellaneous expenses	0.37	0.57
Total	25.85	42.30

a) Breakup of Auditors' remuneration (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Audit fees	0.36	0.47
Tax audit fees	0.05	0.06
Other Services	0.25	0.24
Out-of-pocket expenses	ß	0.03
Total	0.66	0.80

b) Contribution for corporate social responsibility (CSR)

i) As per Section 135 of the Companies Act, 2013, amount required to be spent by the Group on Corporate Social Responsibility (CSR) related activities during the period is ₹ 1.01 crore (previous year ₹ 1.30 crore).

ii) Amount spent towards CSR during the year and recognised as expense in the Statement of Profit and Loss on CSR related activities is ₹ 1.01 crore (previous year ₹ 0.74 crore), which comprise of following:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
CSR Expenditure:		
Social Action For Manpower Creation - SAMPARC	0.36	-
Yosaid Innovation Foundation	0.35	-
GOONJ	0.10	-
IIMPACT	0.10	-
INDIAN CANCER SOCIETY	0.10	-
IDFC Foundation (see note 3 below)	-	0.74
	1.01	0.74
Amount spent during the year on:		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (see note 2 below)	1.01	1.30
Total	1.01	1.30

1. There is no amount outstanding to be paid in cash, out of total amount required to be spent on CSR related activities.
2. Based on the Appeal received from the Government of India, Ministry of Corporate Affairs (MCA), the Group had additionally contributed ₹ 0.56 crore towards Prime Minister's CARES fund in FY 19-20. Also MCA had issued a circular dated May 20, 2021 - on offsetting the excess CSR spent for financial year 2019-20 in next financial year. Accordingly excess contribution of ₹ 0.56 crore made in FY 19-20 has been set off against CSR liability of FY 20-21.
3. Since IDFC Foundation is consolidated on line by line basis, CSR contribution to IDFC Foundation has been eliminated.

31. INCOME TAX

a) The components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are: (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
I. Tax expense recognised in statement of profit and loss		
Current tax		
Current tax on profit for the year	107.66	69.93
Adjustments for current tax of prior years	(2.72)	7.01
Total current tax expense	104.94	76.94
Deferred tax		
(Decrease) / Increase in deferred tax liabilities	17.50	(6.57)
Total deferred tax expense/(benefit)	17.50	(6.57)
Total tax expense for the year	122.44	70.37
Income tax attributable to:		
- Profit from continuing operations	60.50	25.34
- Profit from discontinued operations	61.94	45.03
	122.44	70.37

b) Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2022 and March 31, 2021 is as follows:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (loss) from continuing operations before tax expense	59.42	(452.22)
Profit from discontinued operations before tax expense	127.33	185.85
Tax at India's statutory income tax rate of 25.17% (previous year 25.17%)	47.01	(67.05)
Tax effect of the amount which are not taxable in calculating taxable income	(5.16)	(7.67)
Effect of tax on Share of net loss of associates and joint ventures accounted for using equity method	(1.84)	117.54
Tax impact of income not included in determining taxable profit above	42.79	17.94
Effect of tax on income taxable under different tax rates	(3.53)	2.08
Expenses not deductible for tax purposes	-	9.96
Adjustments for current tax of prior periods	(2.72)	7.01
Effect of reversal of opening deferred tax asset/ liability	17.50	(6.57)
Different statutory tax rates applied by the group entities	29.89	(0.36)
Other	(1.50)	(2.51)
Income tax expense at effective tax rate	122.44	70.37
Effective tax rate	65.56%	(26.42%)

c) Tax losses

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Unused tax losses for which no deferred tax asset has been recognised	1.41	5.36
Potential tax benefit at 25.17% (March 31, 2021: 25.17%)	0.36	1.35

d) Unrecognised temporary differences

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Temporary differences relating to investment in subsidiaries and joint ventures for which deferred tax liabilities have not been recognised		
- Undistributed earnings of subsidiary*	261.66	357.59
- Undistributed earnings of joint venture**	-	71.66
- Unrecognised deffered tax liabilities relating to the above temporary differences	65.86	108.04

* Certain subsidiaries of the Group have undistributed earnings of ₹ 261.66 crores (March 31, 2021: ₹ 357.59 Crores) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity has ability to control the timing of distributions from these subsidiaries.

The Group has not recognised deferred tax asset on accumulated losses of subsidiaries and associates, as the Group does not foresee a reasonable certainty of sufficient future income available against which these accumulated losses can be utilised.

** The joint ventures of the Group have undistributed earnings of ₹ Nil (March 31, 2021: ₹ 71.66 Crores) which will be remitted to IDFC Foundation having joint control over these joint venture. IDFC Foundation is a Section 8 Company registered for specified purpose with an intention to prohibit payment of dividends to its shareholders i.e. IDFC Limited and hence no defered tax is recognised as the Group will not receive any distribution out of these profits in the foreseeable future. [see note 40 (c)]

32. EMPLOYEE BENEFIT OBLIGATIONS

a) Defined contribution plans

The Group has recognised the following amounts in the statement of profit and loss towards contribution to defined contribution plans which are included under contribution to provident and other funds:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Provident fund	0.63	0.64
Pension fund	0.29	0.30
Superannuation fund	0.03	0.03
Total	0.95	0.97

b) Defined benefit plans

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Balance Sheet (₹ in crore)

	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2021	21.16	19.40	1.76
Current service cost	0.02	-	0.02
Interest expense/(income)	0.06	0.05	0.01
Return on plan assets	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	(0.01)	-	(0.01)
Actuarial loss / (gain) arising on account of experience changes	0.20	-	0.20
Actual return on plan assets less interest on plan assets	-	0.08	(0.08)
Adjustment to recognise the effect of asset ceiling	-	(0.01)	0.01
Employer contributions	-	0.31	(0.31)
Benefit payments	-	-	-
Opening removal from obligation and fair value of assets of assets and liabilities included in a disposal group classified as held for sale	(18.42)	(16.82)	(1.60)
As at March 31, 2022	3.01	3.01	ß

	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	3.01	21.16
Fair value of plan assets	3.01	19.40
Plan liability net of plan assets	ß	1.76

ii) Statement of Profit and Loss (₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefit Expenses:		
Current service cost	0.12	0.28
Interest cost	ß	(0.01)
(Gains) / losses on settlement	-	-
Total	0.12	0.27
Finance cost	-	-
Net impact on the profit before tax	0.12	0.27
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/ income	-	-
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	(0.01)	(0.06)
Actuarial gains/(losses) arising from changes in experience	0.19	0.25
Actual return on plan assets less interest on plan assets	(0.08)	(0.16)
Adjustment to recognize the effect of asset ceiling	-	-
Income tax relating to above	(0.03)	(0.04)
Net impact on the other comprehensive income before tax	0.07	(0.01)

iii) Defined benefit plan assets

Category of assets (% allocation)	As at March 31, 2022	As at March 31, 2021
Insurer managed funds		
- Government securities	45.65%	40.41%
- Deposit and money market securities	15.06%	4.65%
- Debentures / bonds	33.93%	53.50%
- Equity shares	5.36%	1.44%
Total	100.00%	100.00%

iv) Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2022	As at March 31, 2021
Discount rate	4.40%	3.90% to 7.00%
Salary escalation rate*	5%	5% to 10%

* takes into account the inflation, seniority, promotions and other relevant factors

v) Demographic assumptions

Mortality in Service : Indian Assured Lives Mortality (2012-14)

vi) Sensitivity

As at March 31, 2022	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(0.23%)	0.26%
Salary escalation rate	0.50%	0.25%	(0.23%)

As at March 31, 2021	Change in assumption	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	0.50%	(0.24%)	0.26%
Salary escalation rate	0.50%	0.26%	(0.24%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vii) Maturity

The defined benefit obligations shall mature after year end as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
within 12 months	2.89	3.98
Between 2-5 years	0.03	3.70
Between 5-10 years	0.03	3.73
Beyond 10 years	0.16	26.27

The weighted average duration to the payment of these cash flows is 0.49 years (previous year 0.50 years to 10.31 years).

33. DISCONTINUED OPERATION

a) IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited

The Board of Directors of IDFC Limited and IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC Asset Management Company Limited ('IDFC AMC') along with IDFC AMC Trustee Company Limited ('IDFC AMC Trustee') and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by the Company to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited, Infinity Partners (affiliates of ChrysCapital) ('Proposed Transaction'). The consideration for the Proposed Transaction is ₹ 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure.

The Proposed Transaction will be completed upon receipt of requisite regulatory and other approvals, as applicable, and completion of closing related actions mutually agreed between the parties.

It is highly probable that the said sale transaction will be completed in the next 12 months. Accordingly the investment in IDFC AMC and IDFC AMC Trustee is classified as assets held for sale as on March 31, 2022.

Further, as the fair value less cost of sale is more than the carrying value of the investment; hence no impairment loss has been considered for recognition.

i) Financial performance and cash flow information (after inter-company eliminations)

A) IDFC AMC Limited (In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	421.01	370.20
Expenses	188.22	178.04
Profit before tax	232.79	192.16
Tax expense	62.02	44.90
Profit after tax	170.77	147.26
Other comprehensive income	0.87	0.99
Total comprehensive income	171.64	148.25
Total comprehensive income attributable to owners	171.57	148.19
Total comprehensive income attributable to minority holders	0.07	0.06
Total profit from discontinued operation attributable to owners	171.57	148.19
Net cash inflow from operating activities	195.26	160.24
Net cash inflow (outflow) from investing activities	143.08	(100.86)
Net cash (outflow) from financing activities	(340.24)	(60.65)
Net increase in cash generated from discontinued operation	(1.90)	(1.27)

B) IDFC AMC Trustee Company Limited (In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	0.60	0.30
Expenses	0.42	0.21
Profit before tax	0.18	0.09
Tax expense	0.05	0.02
Profit after tax	0.13	0.07
Other comprehensive income	0.01	(0.01)
Total comprehensive income	0.14	0.06
Total comprehensive income attributable to owners	0.14	0.06
Total comprehensive income attributable to minority holders	-	-
Total profit from discontinued operation attributable to owners	0.14	0.06
Net cash inflow from operating activities	0.10	0.03
Net cash inflow (outflow) from investing activities	-	-
Net cash (outflow) from financing activities	-	-
Net increase in cash generated from discontinued operation	0.10	0.03

ii) The carrying amounts of assets and liabilities as on March 31, 2022

A) IDFC AMC Limited (In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	1.26
Bank balances other than cash and cash equivalents above	3.52
Trade receivables	13.35
Investments	226.08
Other financial assets	6.08
Income tax assets (net)	15.85
Property, plant and equipment	10.17
Intangible assets	1.92
Capital Work-In-Progress	-
Right-of-use assets	27.99
Deferred tax assets (net)	1.33
Other non-financial assets	20.45
Total assets	328.00
Trade Payables	11.34
Lease liabilities	31.95
Other financial liabilities	35.76
Income tax liabilities (net)	18.86
Provisions	1.73
Deferred tax liabilities (net)	-
Other non-financial liabilities	41.02
Total liabilities	140.66
Net assets derecognised	
- Attributable to IDFC Limited	187.27
- Non-controlling interest	0.07

B) IDFC AMC Trustee Company Limited (In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	0.31
Trade Receivables	0.18
Other Assets	0.04
Income tax assets (net)	0.02
Total assets	0.55
Trade Payables	0.01
Income Tax liabilities	0.01
Other financial liabilities	0.06
Total liabilities	0.08
Net assets derecognised	
- Attributable to IDFC Limited	0.47
- Non-controlling interest	-

b) IDFC India Equity Hedge Fund - IDFC IEH Conservative Fund

IDFC India Equity Hedge Fund Category III ('Fund') was constituted as a trust on 1st September 2017, in accordance with the provisions of the Indian Trusts Act, 1882. IDFC Limited is the Sponsor and IDBI Trusteeship Services Limited ('Trustee') is the Trustee of the Fund. IDFC AMC has been appointed as the Investment Manager of the Fund.

IDFC IEH Conservative Fund was a scheme launched under IDFC India Equity Hedge Fund Category III registered with SEBI under SEBI (Alternative Investment Funds) Regulations, 2012. IDFC IEH Conservative Fund is an open ended scheme which was launched as on January 31, 2018. The Scheme is represented by Class of Units.

The primary objective of the Scheme is to generate attractive risk adjusted returns and reduce volatility by investing predominantly in Indian equities and equity derivatives within a low to moderate net exposure risk format. More specifically, to employ long/short and arbitrage strategies to provide superior alpha based returns that are relatively uncorrelated to Indian equity indices.

Based on the control assessment carried out by the Group, IDFC IEH Conservative Fund was assessed as a subsidiary of the Group under Ind AS 110 considering the principal-agency guidance. The asset manager of IDFC IEH Conservative Fund, IDFC AMC which holds power over its relevant activities is a wholly-owned subsidiary of the Holding Company and cannot be removed without approval from 75% of unitholders. The Group holds 69.54% units in the fund as on March 31, 2022 and 91.60% units in the fund as on March 31, 2021, which constitutes exposure to variability in returns. Accordingly, the assets, liabilities, income and expenses of IDFC IEH Conservative Fund had been consolidated with the Group on line by line basis.

However, now as IDFC AMC is asset Held for Sale, IDFC IEH Conservative Fund which is considered as subsidiary of the Group through IDFC AMC, is also shown as Asset held for sale and line by line consolidation is not done for the same.

(i) Financial performance and cash flow information (after inter-company eliminations)

IDFC India Equity Hedge Fund - IDFC IEH Conservative Fund

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	1.74	1.11
Expenses	0.81	1.23
Profit / (loss) before tax	0.93	(0.12)
Tax expense	(0.13)	0.40
Profit / (loss) after tax	1.06	(0.52)
Other comprehensive income	-	-
Total comprehensive income	1.06	(0.52)
Total comprehensive income attributable to owners	0.74	(0.48)
Total comprehensive income attributable to Minority shareholders	0.32	(0.04)
Total profit from discontinued operation attributable to owners	0.74	(0.48)
Net cash inflow from operating activities	(1.16)	(3.96)
Net cash inflow (outflow) from investing activities	(24.62)	9.03
Net cash (outflow) from financing activities	10.32	(7.56)
Net increase in cash generated from discontinued operation	(15.46)	(2.49)

The carrying amounts of assets and liabilities as on March 31, 2022

(In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	1.04
Bank balances other than cash and cash equivalents above	3.25
Investments	38.37
Income tax assets (net)	0.27
Total assets	42.93
Trade Payables	0.05
Deferred Tax liabilities	0.09
Other non financial liabilities	0.17
Total liabilities	0.31
Net assets derecognised	
- Attributable to IDFC Limited	29.62
- Non-controlling interest	13.00

c). IDFC Investment Managers (Mauritius) Limited

The principal activity of the Company is to provide investment management services. The Company has entered into investment management agreement with India Multi Avenues Fund, a fund incorporated in Mauritius in 2015. The Fund has still not started its operations as on date of Balance Sheet.

IDFC Investment Managers (Mauritius) Limited is a wholly owned subsidiary of IDFC AMC. However, now as IDFC AMC is asset Held for Sale, IDFC Investment Managers (Mauritius) Limited, which is considered as subsidiary of the Group through IDFC AMC, is also shown as Asset held for sale and line by line consolidation is not done for the same.

(i) Financial performance and cash flow information (after inter-company eliminations)

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue	-	-
Expenses	0.53	0.46
Profit before tax	(0.53)	(0.46)
Tax expense	-	-
Profit after tax	(0.53)	(0.46)
Other comprehensive income	-	-
Total comprehensive income	(0.53)	(0.46)
Total comprehensive income attributable to owners	(0.53)	(0.46)
Total comprehensive income attributable to Minority shareholders	-	-
Total profit from discontinued operation attributable to owners	(0.53)	(0.46)
Net cash inflow from operating activities	(0.52)	(0.52)
Net cash inflow (outflow) from investing activities	-	-
Net cash (outflow) from financing activities	-	1.11
Net increase in cash generated from discontinued operation	(0.52)	0.59

The carrying amounts of assets and liabilities as on March 31, 2022

(In ₹ crore)

	As at March 31, 2022
Cash and cash equivalents	0.35
Loans and advances	0.01
Total assets	0.36
Trade Payables	0.05
Total liabilities	0.05
Net assets derecognised	
- Attributable to IDFC Limited	0.31
- Non-controlling interest	-

34. Segment information

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Segment revenues		
- Financing	395.22	77.01
- Others	42.02	22.89
Total segment revenues	437.24	99.90
Add: Unallocated revenues	-	-
Less: Inter-segment adjustments	(349.19)	(66.20)
Total Revenues	88.05	33.70
Segment results		
- Financing	33.88	4.34
- Others	18.24	7.78
Total segment results	52.12	12.12
Add / (Less): Unallocated	-	-
Add: Share of profit / (loss) from associates accounted under equity method	7.30	(464.34)
Profit before tax	59.42	(452.22)
Segment assets		
- Financing	340.12	78.48
- Others	252.78	183.34
Total segment assets	592.90	261.82
Unallocated		
- Banking	7,401.21	6,712.42
- Others	18.98	142.23
- Disposal group held for sale	1,151.01	1,254.35
Total assets	9,164.10	8,370.82
Segment liabilities		
- Financing	7.73	24.61
- Others	1.41	11.52
Total segment liabilities	9.14	36.13
Unallocated		
- Others	18.08	27.35
- Disposal group held for sale	210.24	92.46
Total liabilities	237.46	155.94
Capital employed		
- Financing	332.39	53.87
- Others	251.37	171.82
Total segment capital employed	583.76	225.69
Unallocated		
- Banking	7,401.21	6,712.42
- Others	0.90	114.88
- Disposal group held for sale	940.77	1,161.89
Total capital employed	8,926.64	8,214.88

i) The Group identifies primary segments based on the dominant source, nature of risk and returns and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated by the Chief Operating Decision Maker.

ii) Segment composition :

- Financing includes investing activity
- The Group has reorganised its segment structure on account of classification of IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC IEH Conservative Fund and IDFC Investment Managers (Mauritius) Limited as Disposal group held for sale. Previous period segment figures are regrouped in accordance with revised segment structure.

35. EARNINGS PER SHARE

a) The basic earnings per share has been calculated based on the following:

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax available for equity shareholders	64.31	(336.74)
Weighted average number of equity shares	1,596,413,052	1,596,358,316

b) The reconciliation between the basic and the diluted earnings per share is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings per share (in ₹)	0.40	(2.11)
Effect of outstanding stock options	0.00	-
Diluted earnings per share (in ₹)	0.40	(2.11)

c) Weighted average number of equity shares is computed for the purpose of calculating diluted earning per share, after giving the dilutive impact of the outstanding stock options for the respective years.

	Year ended March 31, 2022	Year ended March 31, 2021
Weighted average number of shares for computation of Basic EPS	1,596,413,052	1,596,358,316
Dilutive effect of outstanding stock options	415,673	-
Weighted average number of shares for computation of Diluted EPS	1,596,851,615	1,596,358,316

36. CONTINGENT LIABILITIES

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Claims not acknowledged as debts in respect of:		
- Income-tax demands under appeal (net of provision)	44.98	10.43
- Other claims	1.97	1.50
Total	46.95	11.93

37. CAPITAL COMMITMENTS

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Uncalled liability on shares and other investments partly paid	16.25	58.53
Estimated amount of contracts remaining to be executed on capital account (net of advances)	0.53	0.36
Letter of comfort (see note a)	14.57	14.57
Total	31.35	73.46

a) The Holding Company had issued letter of comfort to IDFC Foundation- wholly owned subsidiary of the Company, if there is any shortfall in meeting its obligations towards its contingent liabilities amounting to ₹ 14.57 crore and any related penalty. The comfort letter is valid till April 30, 2022.

b) IDFC Projects Limited, a wholly owned subsidiary of the Group holds 19.90% stake on fully diluted basis in Jetpur Somnath Tollways Private Limited ("JSTPL"). JSTPL had executed the concession agreement with National Highway Authority of India ("NHAI") for the purpose of four laning of 123.45 km Jetputur Somnath Section of NH-8D in the state of Gujarat under NHDP phase III on Build Operate Transfer (BOT) (TOLL) on DBFO pattern. Due to certain disputes, JSTPL along with its lenders had initiated arbitration proceeding against NHAI to make payment of 90% of the debt due under terms of the arrangement. The Hon'ble Supreme Court of India directed NHAI to pay ₹ 348.60 crore in the Escrow Account with the Lead Lender, Punjab National Bank (PNB) within 6 (six) weeks from January 05, 2018. Following that, NHAI had released the amount of ₹ 348.60 crore on January 29, 2018 which was distributed to lenders on proportionate basis. However, JSTPL had provided a bank guarantee of the amount of ₹ 348.60 crore to NHAI in compliance with order of the Court.

The Hon'ble Delhi High Court pronounced the judgement on January 4, 2021 in favour of JSTPL. NHAI challenged this judgment under section 37 and next hearing was scheduled on April 29, 2021 which got adjourned and is rescheduled on July 19, 2021. JSTPL filed execution petition on January 13, 2021 and based on the petition filed Hon'ble Delhi High Court directed NHAI to handover the original bank guarantee before March 15, 2021. JSTPL collected the bank guarantee from NHAI on March 17, 2021 and returned it to PNB. Accordingly IDFC Projects share of commitment (19.90% on fully dilutive basis) which was counter guaranteed by IDFC for ₹ 69.37 crore was disclosed as commitments in previous year. However, as bank guarantee is revoked, it is no more shown as outstanding commitment. Consequently, provision on loan commitment created by the Group for ₹ 22.63 crore was also revered in preceding year.

c) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

38. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(i) The Board of the Directors of the Holding Company at its meeting held on April 06, 2022 has considered and declared an Interim Dividend of 10% i.e. ₹ 1 per equity share of the Company. The interim dividend was paid to the eligible shareholders on May 02, 2022, whose names appeared on the Register of Members of the Holding Company as at close of day on April 10, 2022 being the record date for the purpose of the aforesaid interim dividend.

39. The figures of ₹ 50,000 or less have been denoted by ß.

40. UPDATE ON SUBSIDIARIES AND ASSOCIATES

(a) Corporate restructuring

As part of simplification of corporate structure, the Board of Directors of the Holding Company along with its three wholly owned subsidiaries ('WOS') IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited, approved the merger of WOS into the Holding Company, subject to regulatory approvals from various authorities. Post Board approval, the Holding Company along with its three WOS has filed scheme of amalgamation with Official Liquidator ('OL') – Chennai and with Regional Director ('RD') / Registrar of Companies ('ROC') – Chennai on December 06, 2021. The financial statements of these subsidiaries have been prepared on realisable value basis and accordingly, all assets and liabilities are stated at the value at which they are expected to be realised/ settled.

The ROC, Chennai vide its letter dated February 01, 2022 intimated it's no observations/suggestions to the aforesaid scheme of amalgamation. Also, the OL of Madras High Court vide its letter dated March 24, 2022, communicated it's no observations to the aforesaid scheme of amalgamation. Approval from RD is still awaited.

(b) Financial statements of subsidiaries prepared on non-going concern basis

In view of discontinuance of business operations of IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited, the financial statements of these subsidiaries have been prepared on realisable value basis and accordingly, all assets and liabilities are stated at the value at which they are expected to be realised/ settled.

(c) IDFC Foundation:

IDFC Foundation, a wholly owned subsidiary, holds investments in two joint venture entities namely Delhi Integrated Multi Modal Transit Systems Limited and Infrastructure Development Corporation (Karnataka) Limited ("JV entities"). Board of Directors of the Holding Company has approved the divestment of these JV entities and have taken necessary steps for the same, accordingly, these entities are being classified as assets held for sale. As per IndAS 105, Non-Current Assets Held for Sale needs to be valued at lower of the carrying cost and net realisable value. IDFC Foundation, being a Section 8 company, prohibits payment of dividend and repatriation of capital back to shareholders, accordingly, the net realisable value for the Holding Company of the said asset which is held for sale is considered as Nil and the figures for the year ended March 31, 2022 are net of write down of ₹ 105.60 crore which was the carrying value of these JV entities.

(d) IDFC Financial Holding Company Limited:

(i) IDFC Financial Holding Company Limited (IDFC FHCL), Wholly Owned Subsidiary ('WOS') of the Holding Company had filed application u/s 66 (i) of the Companies Act 2013, for reduction of share capital by ₹ 650 crore on December 12, 2019 with Hon'ble National Company Law Tribunal ('NCLT'). Hon'ble NCLT, Chennai Branch passed order on February 04, 2021 approving the reduction of share capital and had given time of 30 days to effect the reduction. However the shareholders of IDFC FHCL passed a special resolution in the Extra Ordinary General Meeting held on March 2, 2021 to not give effect to the said capital reduction. Based on the legal advice obtained, IDFC FHCL has communicated its decision of not being able to comply to the NCLT order to the Registrar of companies ("ROC") vide MGT-14 dated March 02, 2021 and to NCLT vide their letter dated March 02, 2021. No communication has been received by FHCL from ROC or NCLT upto the date of approval of these financial statements.

(ii) Reserve Bank of India ("RBI") has, vide its letter No.DOR..HOL.No.SUO-75590/16.01.146/2021-22 dated July 20, 2021, clarified that after the expiry of lock-in period of 5 years, IDFC Limited can exit as the promoter of IDFC FIRST Bank Limited. Since the five years of lock- in period is completed, IDFC Financial Holding Company Limited ('IDFC FHCL') had written letters to IDFC FIRST Bank Limited ("IDFC FIRST Bank") with respect to Unlocking Value for shareholders of the Company. The Board of Directors of IDFC FIRST Bank at their meeting held on December 30, 2021 has confirmed that they are "In-principle" in favour of Merger of 'IDFC' and 'IDFC FHCL' with 'IDFC FIRST Bank'. The said corporate restructuring activity shall be subject to approval by the Board of Directors of entities involved, shareholders, creditors and other necessary statutory / regulatory approvals.

(iii) The Board of Directors of the Holding Company and IDFC FHCL at their respective meetings held on April 06, 2022, have inter alia considered binding bids received in connection with divestment of IDFC Asset Management Company Limited ('IDFC AMC') along with IDFC AMC Trustee Company Limited ('IDFC AMC Trustee') and have approved sale of the entire shareholding of IDFC AMC and IDFC AMC Trustee held by the Company to a consortium comprising of Bandhan Financial Holding Limited, Lathe Investment Pte. Ltd. (affiliate of GIC), Tangerine Investments Limited, Infinity Partners (affiliates of ChrysCapital) ('Proposed Transaction'). The consideration for the Proposed Transaction is ₹ 4,500 crores on a fully diluted basis and subject to customary price adjustments at the closure.

The Proposed Transaction will be completed upon receipt of requisite regulatory and other approvals, as applicable, and completion of closing related actions mutually agreed between the parties.

It is highly probable that the said sale transaction will be completed in the next 12 months. Accordingly the investment in IDFC AMC and IDFC AMC Trustee along with their subsidiaries IDFC IEH Conservative Fund, IDFC Investment Managers (Mauritius) Limited and India Multi - Avenues Fund Limited are classified as assets held for sale as on March 31, 2022.

Figures for the year ended March 31, 2022 include ₹ 170.99 crore as net profit from discontinued operations pertaining to these entities.

(e) IDFC FIRST Bank Limited:

(i) Outbreak of COVID-19 pandemic resulted into nation-wide lockdown in March 2020 which had substantially impacted the economic activities. Subsequently in financial year 2020-21, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. Further, in the current financial year, India witnessed two more waves of the Covid-19 pandemic which also led to the re-imposition of localised/regional lock-down measures in various parts of the country which were subsequently lifted.

Currently, while the number of new COVID19 cases have reduced significantly and the restrictions have been eased by the Government, the extent to which the COVID-19 pandemic, including the future subsequent waves, if any, may impact the Bank's operations and asset quality will depend on future developments. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

(ii) In accordance with Resolution Framework for COVID-19 announced by the RBI on August 6, 2020, IDFC FIRST Bank has implemented a One-Time Restructuring (OTR) for certain eligible borrowers. The Bank has classified such loans in Stage 3 as at March 31, 2022. Similarly, OTR cases which are restructured based on Resolution Framework 2.0 announced by the RBI on May 5, 2021 are also classified as stage 3 assets.

(iii) During the quarter ended June 30, 2021, the Bank raised additional capital aggregating to ₹ 3,000 crore (rounded off) to qualified institutional buyers through issuance of 523,103,660 equity shares, fully paid-up, at the price of ₹ 57.35/- per equity share (including a premium of ₹ 47.35/- per equity share.

(iv) As per the Master Direction on Financial Statements - Presentation and Disclosures issued by the RBI dated August 30, 2021, provision/(write-back)of mark-to-market depreciation on investments in AFS and HFT categories (net) are classified under "Total Income" from quarter ended September 30, 2021. Hitherto, the Bank was classifying such provisions/(write-back) under "Provisions and Contingencies". Further, the provision on Non-Performing Investments (NPIs) and Identified Investments continues to be shown under Provisions and Contingencies. Previous period figures have been reclassified accordingly in line with this presentation. There is no impact of this change on net profit / loss (refer table below).

(₹ in crore)

	Year ended March 31, 2021
Total Income - As reported	8,482.62
Reclassification impact on account of mark-to-market depreciation on investments in AFS and HFT categories	(42.37)
Total Income - As per reclassification	8,440.25

(f) Liqudated entites:

(i) On October 31, 2019 Monetary Authority of Singapore ('MAS') cancelled the Capital Market Services ('CMS') license issued to IDFC Capital (Singapore) Pte. Ltd., WOS of IDFC Alternatives Limited. The liquidation of IDFC Capital (Singapore) Pte. was completed on November 20, 2020 and Liquidation returns have been filed with Accounting and Corporate Regulatory Authority "ACRA" on November 23, 2020 and since then IDFC Capital (Singapore) Pte. ceased to be a subsidiary of the Group.

(ii) The Board of Directors of IDFC Asset management Company Limited ('the Investment Manager') had approved the winding up of IDFC IEH Tactical Fund, subsidiary of IDFC Asset Management Company Limited, vide its meeting dated October 30, 2020. Approval from the investors holding more than 75% in the value was received by the Board of Directors of IDFC Asset Management Company Limited on February 16, 2021. All the assets of IDFC IEH Tactical Fund were liquidated by March 16, 2021 and paid to investors. Hence with effect from March 16, 2021, IEH Tactical Fund has ceased to be subsidiary of the Group.

41. CAPITAL MANAGEMENT

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and continue as a going concern entity.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The management monitors the return on capital as well as the level of dividends to the shareholders. The Group's goal is to continue to be able to provide return to the shareholders by continuing to distribute dividends in future period.

42. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in crore)

	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	286.47	-	286.47	42.11	-	42.11
Bank balance other than cash and cash equivalents above	1.55	-	1.55	23.38	-	23.38
Derivative financial instruments	-	-	-	0.54	-	0.54
Receivables						
(I) Trade receivables	-	-	-	12.71	-	12.71
(II) Other receivables	2.01	-	2.01	0.05	-	0.05
Investments	-	7,702.47	7,702.47	348.30	7,037.49	7,385.79
Other financial assets	1.15	-	1.15	3.52	8.38	11.90
Non-financial assets						
Income tax assets (Net)	-	18.98	18.98	-	26.29	26.29
Deferred tax assets (Net)	-	-	-	-	10.34	10.34
Property, plant and equipment	-	0.17	0.17	-	16.05	16.05
Intangible assets under development	-	-	-	-	34.27	34.27
Investment Property	-	-	-	-	-	-
Goodwill	-	-	-	-	779.17	779.17
Other intangible assets	-	-	-	-	4.56	4.56
Other non-financial assets	0.29	-	0.29	23.66	-	23.66
Disposal group held for sale	1,151.01	-	1,151.01	-	-	-
Total assets	1,442.48	7,721.62	9,164.10	454.27	7,916.55	8,370.82
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	0.04	-	0.04
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	12.66	-	12.66
(II) Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.53	-	4.53	3.08	-	3.08
Lease liabilities	-	-	-	9.53	27.99	37.52
Other financial liabilities	3.25	-	3.25	36.01	2.81	38.82
Non-financial Liabilities						
Income tax liabilities (Net)	-	-	-	14.60	-	14.60
Deferred tax liabilities (Net)	-	18.08	18.08	-	8.33	8.33
Provisions	-	-	-	1.76	0.21	1.97
Other non-financial liabilities	1.36	-	1.36	21.36	17.56	38.92
Disposal group held for sale	210.24	-	210.24	-	-	-
Total liabilities	219.38	18.08	237.46	99.04	56.90	155.94
Net	1,223.10	7,703.54	8,926.64	355.23	7,859.65	8,214.88

43. FAIR VALUE MEASUREMENT

a) Financial Instruments by Category

The following table provides categorization of all financial instruments at carrying value except investments in joint venture and associates which are carried at cost.

(₹ in crore)

As at March 31, 2022	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Investments			
- Venture capital fund units / AIF's	301.26	-	-
Cash and Cash Equivalents	-	-	286.47
Bank balances other than cash and cash equivalents	-	-	1.55
Trade receivables	-	-	2.01
Other financial assets	-	-	1.15
Total financial assets	301.26	-	291.18
Financial Liabilities			
Other payables	-	-	4.53
Other financial liabilities	-	-	3.25
Total financial liabilities	-	-	7.78

As at March 31, 2021	At FVTPL	At FVOCI	Amortised Cost
Financial Assets			
Investments			
- Mutual fund units#	348.30	-	-
- Venture capital fund units / AIF's	197.85	-	-
- Equity instruments*	21.56	0.05	-
- Trustee units	0.01	-	-
Derivative financial assets	0.54	-	-
Cash and Cash Equivalents	-	-	42.11
Bank balances other than cash and cash equivalents	-	-	23.38
Trade receivables	-	-	12.76
Other financial assets	-	-	11.90
Total financial assets	568.26	0.05	90.15
Financial Liabilities			
Derivative financial liabilities	-	-	-
Trade payables	-	-	12.70
Other payables	-	-	3.08
Lease liabilities	-	-	37.52
Other financial liabilities	-	-	38.82
Total financial liabilities	-	-	92.12

Includes ₹ 8.63 crores pertaining to IDFC Foundation held for specified purposes.

* The equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant.

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

As at March 31, 2022					(In ₹ crore)
Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	6	-	-	301.26	301.26
- Venture capital fund units / AIF's					
Total financial assets		-	-	301.26	301.26

As at March 31, 2021					(In ₹ crore)
Assets and liabilities measured at fair value - recurring fair value measurements	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	6				
- Mutual fund units		-	348.30	-	348.30
- Venture capital fund units / AIF's		-	-	197.85	197.85
- Equity shares		15.55	6.01	-	21.56
- Trustee Units		0.01	-	-	0.01
Financial Investments at FVOCI	6				
- Equity shares		-	0.05	-	0.05
Derivative not designated as hedge					
- Equity / Index option contracts	13	0.54	-	-	0.54
Total financial assets		16.10	354.36	197.85	568.31

i) There are no transfers between levels 1, 2 and 3 during the year.

ii) The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1: Hierarchy includes financial instruments measured using quoted prices in an active market.

Level 2: The fair value of financial instruments that are not traded in an active market (such as mutual fund units) is determined using observable market data and not the entity specific estimates. These investments are valued at closing Net Asset Value (NAV), which represents the repurchase price at which the issuer will redeem the units from investors. Since all significant inputs required to fair value an instrument are observable, the investments are included in Level 2.

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

c) Specific valuation techniques used to value financial instruments include:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for listed equity instruments, future contracts and option contracts.
- the fair value of the mutual fund units is determined using observable NAV at the reporting date as declared by the issuer.
- the fair value of the venture capital units is determined using NAV at the reporting date as declared by the issuer. ^
- the fair values of derivative instruments are valued at the settlement price provided by the respective stock exchange.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis, market comparable method and based on recent transactions.

^ Considering the illiquidity discount, the Group has provided for additional diminution over and above the NAV communicated by the VCFs in order to appropriately reflect the fair value as on March 31, 2022. During the year ended March 31, 2021 with respect to the Covid-19 pandemic and the stress in various sectors of the economy the Group had taken appropriate haircuts and provided for an additional diminution over and above the NAV communicated by the VCFs in order to appropriately reflect the fair value as on March 31, 2021.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

d) Valuation Process

In order to assess Level 3 valuations as per Group's investment policy, the management relies on the NAVs issued by the VCF's.

The finance team performs the above process and reports directly to the Chief Financial Officer (CFO) of the Group. Discussions of valuation processes and results are held between the finance team and CFO on reguar basis. Investment valuation is placed before the members of the board at least once every three months which is in line with the Group's quarterly reporting periods.

e) Fair value of financial assets and liabilities measured at amortised cost

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include, cash and bank balances, bank deposits, trade and other receivables, other financial assets, trade and other payables, and other financial liabilities.

f) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

	Venture capital units	Total
As at March 31, 2020	166.39	166.39
Acquisitions (net)	16.07	16.07
Gains/(losses) recognised profit and loss	15.39	15.39
As at March 31, 2021	197.85	197.85
Acquisitions (net)	28.84	28.84
Gains/(losses) recognised profit and loss	74.57	74.57
As at March 31, 2022	301.26	301.26

g) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (b) above for the valuation techniques adopted.

	Fair value as at March 31, 2022	Fair value as at March 31, 2021	Significant unobservable inputs*	Probability-weighted range	Sensitivity
Venture Capital Funds	301.26	197.85	Net asset Value	10%	Whilst these investments are not traded on any market, they are exposed to price risk in respect of their underlying investments. 10% is the sensitivity rate used when reporting price risk internally to key management's assessment of the possible net change in underlying prices. A 10% increase / (decrease) in the net asset value would increase/ (decrease) in the Groups' gain / (loss) by ₹ 22.55 crore (March 31, 2021 : ₹ 14.81 crore)

44. FINANCIAL RISK MANAGEMENT

44.1 Introduction

Risk management is an integral part of the business practices of the Group. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The process of risk management is paramount to the Group and each employee is accountable for risks relating to his/her responsibilities. The key risk management tenets adopted by the Group includes maker-checker principle and three levels of defence (first level - employee, second level - risk team, third level - internal audit). The Group is exposed to credit risk, interest rate risk, liquidity risk, price risk and operations risk through its business operations.

44.2 Risk management structure

The Group has set up a robust risk governance framework based on the following key principles:

- The Board has ultimate responsibility for the Group's risk management framework. The board is principally responsible for approving the Group's risk related strategies and policies.
- To ensure that the Group has appropriate system of risk management and internal controls in place, the board has established a risk committee. The risk committee assists the board in relation to the oversight and review of the Group's risk management principles and policies, strategies, appetite, processes and controls. The risk committee has direct access to the Group's management and has open communication with them.

- Policies, processes and systems are put in place for effective risk management.
- The Group's Resources team is primarily responsible for funding and liquidity risks and is guided by the asset liability management policy. The market risks of the Group are supervised by the asset liability committee.
- The Business team monitors project assets on regular basis and highlights pending compliances to senior management on quarterly basis. It also conducts annual site visits and monitors financial covenants.
- Annual review of financial and operational performance of projects and their re-rating is conducted by the risk team.
- Risk management processes are also audited half yearly by internal audit and findings and recommendations are provided to the audit committee.

44.3 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk arises mainly from cash and cash equivalents, deposits with banks, trade and other receivable, loans measured at amortised cost and investment measured at FVTPL.

a) Expected credit loss methodology

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. Refer note 44(b)(i) below for a description of how the Group determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'. Refer note 44(b)(i) below for a description of how the Group defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with Ind AS 109 is that it should consider forward-looking information.

The following diagram summarises the impairment requirements under Ind AS 109:

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	**Lifetime expected credit losses**	**Lifetime expected credit losses**

i) Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the quantitative, qualitative or backstop criteria have been met.

Quantitative criteria:

The borrower is more than 90 days past due on its contractual payments to be considered in default.

Qualitative criteria:

For all financial instruments held by the Group, if the borrower is on the watch list and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early signs of cash flow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR incorporates forward-looking information and is performed on a regular basis for all financial instruments held by the Group. In relation to financial instruments, where a watch list is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the risk committee.

ii) Policy for write-off of financial assets

All loans which in the opinion of management are not recoverable are written off. The Group may write off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

PD Estimation:

- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future.

- For Stage 1, 12 month PD are calculated.
- For Stage 2, Lifetime PD are calculated by considering the survival rate of the counterparty for the remaining maturity.
- For Stage 3, Lifetime PD is taken as 100%.

Exposure at default:

EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

For the loan commitments, the exposure at default (EAD) is predicted by aggregating total unfunded credit exposure and applying a "credit conversion factor (CCF)" which considers any further amount that is expected to be lent under arrangement at the time of default. CCF denotes the probability of off-balance sheet exposure (i.e. loan commitment) becoming credit exposure shifting onto the balance sheet if the loan commitment is called.

Loss given default:

Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type and security coverage.

In case of re-financing of operating road project, the Group enters into a tripartite agreement with the concessionaire and NHAI/any other project authority for ensuring a compulsory buyout with termination payments. The LGD for road project loans is taken as nil since the entire credit exposure arising out of loan agreement is secured by way of tripartite agreement with Government authorities.

ECL computation:

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

b) Credit risk exposure

i) The following table explains the changes in the loss allowance between the beginning and at the end of the annual period in loan commitments due to various factors:

	Stage 1 (12M ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
Impairment allowance as at March 31, 2020	-	-	22.63	22.63
- arising during the year	-	-	-	-
- utilised / reversed	-	-	(22.63)	(22.63)
Impairment allowance as at March 31, 2021	-	-	-	-
- arising during the year	-	-	-	-
- utilised / reversed	-	-	-	-
Impairment allowance as at March 31, 2022	-	-	-	-

*Refer note 37 for details of financial guarantee provided to lenders of Jetpur Somnath Tollways Private Limited.

(ii) Trade and other receivables

Concentrations of credit risk with respect to trade and other receivables are limited, due to the customer base being limited. All trade receivables are reviewed and assessed for default on a individual basis. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

The following table explains the changes in the loss allowance on trade and other receivables between the beginning and at the end of the annual period due to various factors:

	(₹ in crore)
Loss allowance as at March 31, 2020	13.73
Add/(less): changes during the year	(7.83)
Loss allowance as at March 31, 2021	5.90
Add/(less): changes during the year	(5.90)
Loss allowance as at March 31, 2022	-

(iii) The following table contains an analysis of the credit risk exposure of security deposits for which an ECL allowance is recognised. The gross carrying amount of security deposit below also represents the Group's maximum exposure to credit risk on these assets.

As at March 31, 2021

	Risk rating	Lessor type	Exposure at default (₹ in crores)	Probability of default	Loss given default	Expected credit loss (₹ in crores)
Security Deposit	Stage 1 (12 month ECL)	Corporate	1.96	26.92%	45.00%	0.24
		Others	7.91	26.92%	65.00%	1.38
	Total		9.87			1.62

44.3.1 Other financial assets

The Group has credit risk exposure in cash and cash equivalents, deposits with banks, and other financial assets. Cash and cash equivalents and bank deposits are held with only high rated banks/financial institutions only, therefore credit risk is perceived to be low. The Group has no significant concentration of credit risk.

44.4 Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows. The Group has developed internal control processes for managing liquidity risk.

Prudent liquidity risk management implies maintaining sufficient cash and liquid investments. The Group maintains investments in highly marketable securities that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial liabilities balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in crore)

As at March 31, 2022	Within 12 months	More than 12 months	Total
Financial liabilities			
Trade payables	4.53	-	4.53
Other financial liabilities	3.25	-	3.25
Total undiscounted financial liabilities	7.78	-	7.78

As at March 31, 2021	Within 12 months	More than 12 months	Total
Financial liabilities			
Trade payables	15.78	-	15.78
Lease Liabilities	9.53	27.99	37.52
Other financial liabilities	36.01	2.81	38.82
Total undiscounted financial liabilities	61.32	30.80	92.12

44.5 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and prices.

44.5.1 Interest Rate Risk - Investment in debt oriented mutual fund

i) Exposure

The exposure of the Group towards interest rate changes arising from investment in following securities at the end of the reporting period are as follows:

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Investment in debt oriented mutual funds	-	319.79
Total	-	319.79

ii) Sensitivity*

The Groups' investments in debt-oriented mutual funds are in highly rated schemes and financial institutions. The Group's objective is to invest in debt-oriented mutual fund scheme which further make investments in high quality debt and money market instruments.

The table summarises the impact of the increase/(decrease) of the benchmark on the Group's profit for the period. The analysis is based on the assumption that the relevant benchmark has increased by 100 bps or decreased by 100 bps with all other variables held constant, and that all the Group's investments moved in line with the benchmark.

	Impact on profit after tax	
	Year ended March 31, 2022	Year ended March 31, 2021
Benchmark: Increase 100 bps (previous year 100 bps)	-	2.31
Benchmark: Decrease 100 bps (previous year 100 bps)	-	(2.31)

* Group has made investments in various debt securities which are tracked to different benchmarks. The sensitivity analysis for these investments is performed with reference to their respective benchmarks.

The mutual fund has direct exposure to interest rate changes on the cash flows of its interest bearing assets. Due to these investments, the Group has indirect exposure to interest rate changes on Net Asset Value of mutual fund units.

44.5.2 Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices caused by factor affecting all similar instruments traded in the market.

The price risk arises due to uncertainties about the future Net Asset Values (NAV)/market price of investments. To manage its price risk arising from investments, the Group diversifies its investment portfolio. Diversification is done in accordance with the guidelines set by the Group's-Risk Management Policies as approved by the Board of Directors.

The Group's exposer to the price risk arises from investment in equity instrument classified as FVTPL or FVOCI, investments in units of equity-oriented mutual funds, venture capital funds, debt securities and derivative contracts (i.e. equity options and futures) measured at FVTPL as at reporting date. The following table explains Group's exposure to price risk is as follows:

44.5.2.1 Exposure

(₹ in crore)

	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments (at FVTPL)	-	21.56
Investment in equity instruments (at FVOCI)	-	0.05
Investment in equity-oriented mutual fund	-	28.51
Investment in venture capital fund units	301.26	197.85
Equity / Index option contracts	-	0.54
Total	301.26	248.51

44.5.2.2 Sensitivity

The table below summarises the impact of increases/decreases of the benchmark on the Group's equity and profit for the period:

	Impact on profit after tax[4]		Impact on OCI[4]	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Investment in equity-oriented mutual fund units[1]				
- Increase 1% (previous year 1%)	-	0.20	-	-
- Decrease 1% (previous year 1%)	-	(0.20)	-	-
Investment in equity instruments including derivatives contracts (at FVTPL)[2]				
- Increase by 15% (previous year 15%)	-	2.49	-	-
- Decrease by 15% (previous year 15%)	-	(2.49)	-	-
Investment in venture capital fund units				
- Increase 10% (previous year 10%)	22.55	14.81	-	-
- Decrease 10% (previous year 10%)	(22.55)	(14.81)	-	-

(1) The Group has investments in equity oriented mutual funds which are tracked with different benchmarks. The sensitivity analysis for these investments is performed with reference to respective benchmarks.

(2) Investment in equity instruments (including derivatives) at FVTPL are tracked to BSE 200 Index or Nifty 50 Index. The analysis is based on the assumption that the BSE 200 Index or Nifty 50 has increased by 15% or decreased by 15% with all other variables held as constant, and that all the Group's investments moved in line with the index.

(3) Investment in equity instruments (at FVOCI) are tracked to NSE Small cap 100 Index. The analysis is based on the assumption that the NSE Small Cap 100 index has increased by 16% or decreased by 16% with all other variables held constant, and that all the Group's investments moved in line with the index.

(4) Profit for the period would increase/ (decrease) as a result of gains/(losses) on investments classified as at fair value through profit or loss. Other components of equity would increase/(decrease) as a result of gains/(losses) on investments classified as at fair value though other comprehensive income.

44.5.3 Foreign currency risk:

The Group does not have any foreign currency exposures in respect of financial assets and financial liabilities as at the balance sheet date. This mitigates the foreign currency risk exposure for the Group.

45 Employee share based payments

a) IDFC Limited - Employee stock option scheme (equity settled):

The Group has introduced IDFC Employee Stock Option Scheme to enable the employees of the all the Group companies participate in the future growth and financial success of the IDFC Group. The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOS provides for grant of stock options to employees [including employees of subsidiary companies and IDFC FIRST Bank Limited (an associate of the Company)] to acquire equity shares of the Company, that will vest in a graded manner and that are to be exercised within a specified period.

The fair value of options granted to the employees of the Group under the ESOS is recognised as an employee benefits expense with a corresponding increase in share option outstanding account under other equity. However, the fair value of options granted to the employees of associate of the Group is recognised as an increase in the investment in associate and a credit to share option outstanding account under other equity as per the Group share based payment guidance under Ind AS 102.

Options are granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary equity share of the Company. The options granted will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

Set out below is a summary of options granted under the plan:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Average exercise price	Number of options	Average exercise price	Number of options
Opening balance	56.82	10,604,778	61.64	13,281,418
Granted during the year	53.60	1,200,000	-	-
Exercised during the year	49.84	(77,626)	-	-
Forfeited during the year	89.21	(418,690)	80.94	(2,658,640)
Lapsed/expired during the year	55.44	(7,461,964)	48.77	(18,000)
Closing balance	55.11	3,846,498	56.82	10,604,778
Vested and exercisable	55.80	2,646,498	56.82	10,604,778
Unvested	53.60	1,200,000	-	-

The weighted average share price at the date of exercise of options exercised during the year ended March 31, 2022 was ₹ 49.84 (preceding year ₹ Nil).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
2-Sep-13	02-Sep-19 to 02-Sep-21	48.77	-	24,000
7-Aug-14	07-Aug-19 to 07-Aug-21	90.56	-	400,000
5-Oct-15	18-Apr-17 to 05-Oct-23	60.35	809,270	1,175,924
5-Feb-16	05-Feb-22 to 05-Feb-24	41.15	210,000	300,000
29-Apr-16	14-Jul-17 to 29-Apr-23	43.40	70,000	100,000
26-Jul-16	14-Jul-17 to 26-Jul-23	53.90	111,128	158,754
14-Sep-16	14-Sep-22 to 14-Sep-24	59.20	100,000	100,000
14-Mar-17	14-Mar-23 to 14-Mar-25	51.85	42,600	42,600
9-May-17	31-May-18 to 09-May-24	63.25	103,500	103,500
27-Apr-18	27-Apr-23	55.40	1,200,000	8,200,000
10-May-21	09-May-25	53.60	1,200,000	-
Total			3,846,498	10,604,778
Weighted average remaining contractual life of options outstanding at end of period			2.32	2.21

Fair value of options granted:

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

1,200,000 ESOPS were granted during the year ended March 31, 2022 (Preceding year: Nil).

The Assumptions used in the model are as follows:

(₹ in crore)

Sr. No.	Variables	Year ended March 31, 2022	Year ended March 31, 2021
1	Risk Free Interest Rate	4.71%	-
2	Expected Life	2.50	-
3	Expected Volatility	50.28%	-
4	Dividend Yield	0.00%	-
5	Price of the underlying share in market at the time of the option grant.(₹)	53.60	-

b) IDFC AMC - Employee stock option scheme (cash settled):

(i) IDFC Asset Management Company Limited ("IDFC AMC"), a subsidiary of IDFC group, introduced IDFC AMC Employee Stock Option Scheme, 2020 ("ESOS 2020") to enable the employees of IDFC AMC to participate in the future growth and financial success of the IDFC AMC. The scheme restricts the transferability of shares exercised by the employees. IDFC Financial Holding Company Limited (an immediate parent of IDFC AMC) will have right to buyback the shares from the employees as per the terms of the scheme. After applying the guidance under Ind AS 102 - Group share based payments, the said employee stock option scheme is classified as "Cash settled share based payments" in the consolidated financial statements of the Group.

Set out below is a summary of options granted under the plan:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Average exercise price (₹)	Number of options	Average exercise price (₹)	Number of options
Opening balance	699.03	6,04,000	699.03	5,99,000
Granted during the year	1,279.63	27,500	699.03	19,000
Exercised during the year	-	-	-	-
Forfeited during the year	699.03	(29,500)	699.03	-14,000
Lapsed/expired during the year	-	-	-	-
Closing balance	725.55	6,02,000	699.03	6,04,000
Vested and exercisable	-	-	-	-

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
January 01, 2020	01-Jan-28	699.03	555,500	585,000
April 1, 2020	01-Apr-28	699.03	7,500	7,500
October 1, 2020	01-Oct-28	699.03	11,500	11,500
September 1, 2021	01-Sep-28	1,186.06	17,500	-
December 1, 2021	01-Dec-28	1,443.37	10,000	-
Total			602,000	604,000
Weighted average remaining contractual life of options outstanding at end of period			5.86	6.78

(ii) IDFC Asset Management Company Limited ("IDFC AMC"), a subsidiary of IDFC group, introduced Employee Stock Option Scheme, 2017 ("ESOS - 2017") to enable the employees of IDFC AMC to participate in the future growth and financial success of the IDFC AMC. The scheme restricts the transferability of shares exercised by the employees. IDFC Financial Holding Company Limited (an immediate parent of IDFC AMC) will have right to buyback the shares from the employees as per the terms of the scheme. After applying the guidance under Ind AS 102 - Group share based payments, the said employee stock option scheme is classified as "Cash settled share based payments" in the consolidated financial statements of the Group.

Set out below is a summary of options granted under the plan:

	Year ended March 31, 2022		Year ended March 31, 2021	
	Average exercise price (₹)	Number of options*	Average exercise price (₹)	Number of options*
Opening balance	964.69	387,960	964.69	399,540
Granted during the year	-	-	-	-
Exercised during the year	964.69	(1,600)	964.69	(10,070)
Forfeited during the year	964.69	(20,680)	964.69	(1,510)
Lapsed/expired during the year	-	-	-	-
Closing balance	964.69	365,680	964.69	387,960
Vested and exercisable	964.69	365,680	964.69	377,960

* The outstanding number of options for ESOS - 2017 have been adjusted for the 1:10 stock split in December 2019.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Outstanding as at March 31, 2022	Outstanding as at March 31, 2021
09-Sep-17	09-Sep-25	964.69	346,260	368,540
06-Nov-17	06-Nov-25	964.69	9,420	9,420
11-Apr-18	11-Apr-26	964.69	10,000	10,000
Total			365,680	387,960
Weighted average remaining contractual life of options outstanding at end of period			3.47	4.35

The fair value of the options was determined using the Black-Scholes model using the following inputs as at March 31, 2022:-

(i) Grant date - September 1, 2021

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	-
Volatility	0.44	-
Riskfree Rate	0.06	-
Exercise Price (₹)	1,186	-
Time To Maturity (In Years)	4.92	-
Dividend yield	0.08	-
Option Fair Value	537	-

(ii) Grant date - December 1, 2021

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	-
Volatility	0.44	-
Riskfree Rate	0.06	-
Exercise Price (₹)	1,443	-
Time To Maturity (In Years)	5.17	-
Dividend yield	0.08	-
Option Fair Value	464	-

(iii) Grant date - April 1, 2020

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	1,107
Volatility	0.46	0.48
Riskfree Rate	0.06	0.06
Exercise Price (₹)	699	699
Time To Maturity (In Years)	3.51	4.51
Dividend yield	0.08	0.11
Option Fair Value	780	299

(iv) Grant date - October 1, 2020

	As at March 31, 2022	As at March 31, 2021
Stock Price (₹)	1,680	1,107
Volatility	0.45	0.48
Riskfree Rate	0.06	0.06
Exercise Price (₹)	699	699
Time To Maturity (In Years)	4.01	5.01
Dividend yield	0.08	0.11
Option Fair Value	758	289

c) IDFC FIRST Bank Limited - Employee stock option scheme (equity settled)

IDFC FIRST Bank Limited (earlier known as IDFC Bank Limited), an associate of the Group, got demerged from the IDFC Limited under the sanctioned scheme of arrangement in October 2015. Pursuant to Scheme of Demerger, IDFC FIRST Bank Limited has allotted certain employee stock option over its shares to the employees of the IDFC Group. The employee share based payments arrangement between the Group and its associate is outside the scope of Ind AS 102 - Group share based payment arrangement, as associate is not a part of the same group. However, under Ind AS 8, the Group has taken a policy choice to account the said employee share based payments arrangement as per the provisions of Ind AS 102.

Applying Ind AS 102 - Group share based payments arrangement guidance, the fair value of options granted to the employees of the Group is recognised as an employee benefits expense with a corresponding decrease in investment in associate.

d) Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(₹ in crore)

	Year ended March 31, 2022	Year ended March 31, 2021
IDFC Limited - Employee stock option scheme (equity settled)	2.01	-
IDFC FIRST Bank Limited - Employee stock option scheme (equity settled)	(0.47)	(0.28)
Total	1.54	(0.28)

46. INTEREST IN OTHER ENTITIES

a) Subsidiaries

The Group's subsidiaries at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

Name of entity	Principal activities	Place of incorporation and principle business	Ownership interest held by Group (%)		Ownership interest held by non-controlling interests (%)	
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IDFC Alternatives Limited	Non going concern	India	100%	100%	-	-
IDFC AMC Trustee Company Limited #	Trusteeship services	India	100%	100%	-	-
IDFC Asset Management Company Limited * #	Asset management services	India	99.96%	99.96%	0.04%	0.04%
IDFC Projects Limited	Non going concern	India	100%	100%	-	-
IDFC Trustee Company Limited	Non going concern	India	100%	100%	-	-
IDFC Financial Holding Company Limited	Non operating NBFC	India	100%	100%	-	-
IDFC Investment Managers (Mauritius) Limited	Asset management services	Mauritius	99.96%	99.96%	0.04%	0.04%
IDFC IEH Conservative Fund #	AIF Category III Fund	India	69.54%	91.60%	30.46%	8.40%
India Multi Avenues Fund Limited #	Investing	India	99.96%	99.96%	0.04%	0.04%
IDFC Foundation**	Not-for-profit organization	India	100%	100%	-	-

* IDFC Asset Management Company Limited ("IDFC AMC") launched Employee Stock Option Scheme - ESOS 2017 and ESOS 2020. Maximum aggregate number of employee stock options that may be awarded under both schemes combined are 5% of outstanding issued equity shares of IDFC AMC. In current year there was a employee who was granted 1,600 shares and the same were exercised (preceding year 10,070 shares were exercised). Since 100% equity is not held by the Group, IDFC AMC is not considered as 'wholly owned subsidiary".

** The subsidiary is limited by shares formed under Section 25 of the Companies Act, 1956, now section 8 of the Companies Act, 2013. No dividend can be proposed and paid to the shareholders by these companies. In the event of winding up or dissolution of these companies, after the satisfaction of all its debts and liabilities, any property whatsoever shall be given or transferred to some other institution(s) having object similar to the objects of these companies, to be determined by the members of the these companies at or before the time of dissolution or in default thereof by the High Court. The carrying amount of the assets and liabilities included within the consolidated financial statements to which these restrictions apply is ₹ 11.71 crores (March 31, 2021: ₹ 45.98 Crores).

\# Investments are classified as Held for Sale.

(i) Significant judgement: Consolidation of IDFC Foundation

Under Ind AS 110, an investor controls an investee if it has power over investee, exposure to variable return and an ability to use its power to affect investee's returns. IDFC Foundation is wholly owned subsidiary of IDFC Limited. The variable returns under Ind AS do not need to be financial in nature, it can be either in the form of synergistic benefits or enhanced reputation. Since IDFC Foundation's CSR activities are promoted in the name of IDFC Group under Ind AS 110, it can reasonably help IDFC Group to developed its reputation and get synergistic benefits out of it.

b) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the group as at March 31, 2022 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group.

Name of entity	% of ownership interest	Relationship	Accounting Method	Quoted fair value		Carrying value	
				As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
IDFC First Bank Limited (Refer note (i) below)	36.49%	Associate	Equity Method	9,007.68	12,637.98	7,401.21	6,712.72
Novopay Solutions Private Limited#	23.83%	Associate	Equity Method	- *	- *	-	-
Jetpur Somnath Tollways Private Limited#	26.00%	Associate	Equity Method	- *	- *	-	-
Delhi Integrated Multi - Modal Transit System Limited ^	50.00%	Joint Venture	Equity Method	- *	- *	-	60.30
Infrastructure Development Corporation (Karnataka) Limited ("iDeck") ^	49.49%	Joint Venture	Equity Method	- *	- *	-	45.30
Total equity accounted investments				9,007.68	12,637.98	7,401.21	6,818.32

Amount in the associate is impaired and stands at Nil value

* Note: Unlisted entity - no quoted price available

^ Amount in the Joint Venture stands at Nil value as Group holds these investments through IDFC Foundation, section 8 Company, through which no repatriation can be done to the Group. IDFC Foundation has reclassified these investments as Held for sale as it wants to divest its holding with the consent of respective state government.

(i) For impairment assessment refer note 1 p) i) of accounting policies.

(ii) IDFC FIRST Bank Limited is taken on consolidated basis. It includes IDFC FIRST Bharat Limited (subsidiary) and Millennium City Expressways Private Limited (associate).

(iii) iDeck includes India PPP Capacity Building Trust, subsidiary of the iDeck.

i) Commitments and contingent liabilities in respect of associates and joint ventures

(In ₹ crore)

	As at March 31, 2022	As at March 31, 2021
Contingent liabilities – associates		
Derivative and non-fund based exposure	75,211.93	82,327.54
Income Tax	-	0.04
Claims against group not acknowledged as debts	-	15.26
Other Bank Guarantee	-	7.41
Total commitments and contingent liabilities	75,211.93	82,350.25

ii) Summarised financial information for associates i.e. IDFC FIRST Bank Limited

The tables below provide summarised financial information for those associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not IDFC Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(In ₹ crore)

Summarised balance sheet	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Financial assets	194,301.60	162,764.57
Financial liabilities	177,971.28	149,911.20
Net financial assets	16,330.32	12,853.37
Non-financial assets	6,306.32	6,029.79
Non-financial liabilities	2,244.77	1,727.97
Provisions	437.60	665.65
Net Non-financial Asset	3,623.95	3,636.17
Net Assets	19,954.27	16,489.54

(In ₹ crore)

Reconciliation to carrying amounts	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Opening Net Assets	16,489.54	15,037.00
Profit / (loss) during the year	20.01	(1,161.44)
Other comprehensive income for the year	348.13	558.68
Equity shares issued during the year (including share premium)	3,048.32	2,015.19
Other reserve movement	48.27	40.11
Closing net assets	19,954.27	16,489.54
Group's Share in %	36.49%	39.98%
Group's Share in ₹	7,281.31	6,592.52
Employee share based payment charge	-	0.02
Excess of purchase cost over proportionate net assets (for additional stake acquired during the year)	695.38	123.19
Change due to change in holding	(575.48)	(3.01)
Carrying Amount	7,401.21	6,712.72

(In ₹ crore)

Summarised statement of profit and loss	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Total Income	11,805.45	8,440.25
Profit / (loss) for the year	20.01	(1161.44)
Other comprehensive income	348.13	558.68
Total comprehensive income	368.14	(602.76)

(In ₹ crore)

Breakup of Other Comprehensive Income	IDFC FIRST Bank Limited	
	As at March 31, 2022	As at March 31, 2021
Other Comprehensive Income / (loss) to the extent not to be reclassified to Profit or Loss	50.70	(63.94)
Other Comprehensive Income/ (loss) to the extent that may be reclassified to Profit or Loss	297.43	622.62
Total Other Comprehensive Income/ (Loss)	348.13	558.68

iii) Amount recognised in the statement of profit and loss (In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Share of profit / (loss) from associates	134.33	(241.42)
Share of loss from joint ventures *	(105.60)	(2.21)
Total share of profits / (loss) from associates and joint ventures	28.73	(243.63)

* Disclosed under profit/(loss) from discontinued operations

iv) Unrecognized share of loss of an associate (In ₹ crore)

	As at March 31, 2022	As at March 31, 2021
Unrecognised share of loss of an associate:		
-Novopay Solutions Private Limited and Jetpur Somnath Tollways Private Limited		
Opening balance of unrecognised share of loss	(140.16)	(138.58)
Share in Profit/ (loss) during the period	(0.85)	(1.58)
Closing balance of unrecognised share of loss	(141.01)	(140.16)

The Group has absorbed the share of losses in Jetpur Somnath Tollways Private Limited only to the extent of its investment value. Investment in Novopay Solutions Private Limited is impaired and stands at Nil value

v) Unrecognised share of loss of Joint Venture: (In ₹ crore)

	As at March 31, 2022	As at March 31, 2021
Unrecognised share of loss of Joint Venture:		
- Delhi Integrated Multi Modal Transit System Ltd. and Infrastructure Development Corporation Limited		
Opening balance of unrecognised share of loss	-	-
Reversal of profits of Joint Ventures till previous year	(105.60)	-
Share in Profit/ (loss) during the period	(12.56)	-
Closing balance of unrecognised share of loss	(118.16)	-

47. DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT, SUBSIDIARY AND JOINT VENTURE COMPANIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013 AS ON MARCH 31, 2022

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(In ₹ crore)	As % of consolidated profit or Loss	(In ₹ crore)	As % of consolidated other comprehensive Income	(In ₹ crore)	As % of consolidated total comprehensive income	(In ₹ crore)
Parent company								
IDFC Limited	104.01	9,284.77	34.13	21.95	(0.07)	(0.09)	11.38	21.86
Indian subsidiary companies								
IDFC Alternatives Limited	3.43	306.21	50.76	32.64	-	-	16.99	32.64
IDFC AMC Trustee Company Limited	0.01	0.47	0.21	0.13	0.00	0.00	0.07	0.13
IDFC Asset Management Company Limited	2.45	218.30	273.66	175.99	0.68	0.87	92.05	176.86
IDFC Projects Limited	(1.05)	(94.11)	(0.09)	(0.06)	-	-	(0.03)	(0.06)
IDFC Trustee Company Limited	0.01	0.52	(0.04)	(0.02)	-	-	(0.01)	(0.02)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(In ₹ crore)	As % of consolidated profit or Loss	(In ₹ crore)	As % of consolidated other comprehensive Income	(In ₹ crore)	As % of consolidated total comprehensive income	(In ₹ crore)
IDFC Financial Holding Company Limited	105.84	9,448.18	453.12	291.41	-	-	151.67	291.41
IDFC Foundation	0.13	11.71	(53.32)	(34.29)	0.02	0.02	(17.83)	(34.27)
India Multi Avenues Fund Limited	-	-	-	-	-	-	-	-
IDFC IEH Conservative fund	0.48	42.57	0.97	0.63	-	-	0.33	0.63
Foreign subsidiary companies								
IDFC Investment Managers (Mauritius) Limited	0.00	0.31	(0.83)	(0.53)	-	-	(0.28)	(0.53)
Indian associate companies								
IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited)	82.91	7,401.21	11.35	7.30	99.37	127.03	69.90	134.33
Novopay Solutions Private Limited	-	-	-	-	-	-	-	-
Jetpur Somnath Tollways Private Limited	-	-	-	-	-	-	-	-
Joint venture company								
Delhi Integrated Multi - Modal Transit System Limited	-	-	(93.76)	(60.30)	-	-	(31.38)	(60.30)
Infrastructure Development Corporation (Karnataka) Limited ("iDeck")	-	-	(70.44)	(45.30)	-	-	(23.58)	(45.30)
Total (A)	298.22	26,620.14	605.72	389.55	100.00	127.83	269.28	517.38
a) Adjustment arising out of consolidation								
Intercompany Eliminations	(198.07)	(17,680.43)	(505.29)	(324.96)	-	-	(169.14)	(324.96)
b) Non-controlling interests								
- IDFC IEH Conservative Fund	(0.15)	(12.97)	(0.31)	(0.20)	-	-	(0.10)	(0.20)
- IDFC Asset Management Company Limited	(0.00)	(0.10)	(0.12)	(0.08)	-	-	(0.04)	(0.08)
Total (B)	(198.22)	(17,693.50)	(505.72)	(325.24)	-	-	(169.28)	(325.24)
Total (A) + (B)	100.00	8,926.64	100.00	64.31	100.00	127.83	100.00	192.14

47. DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT, SUBSIDIARY AND JOINT VENTURE COMPANIES AS PER SCHEDULE III OF THE COMPANIES ACT, 2013 AS ON MARCH 31, 2021

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	(In ₹ crore)	As % of consolidated profit or Loss	(In ₹ crore)	As % of consolidated other comprehensive Income	(In ₹ crore)	As % of consolidated total comprehensive income	(In ₹ crore)
Parent company								
IDFC Limited	112.74	9,261.10	(2.67)	8.98	(0.05)	(0.11)	(7.88)	8.87
Indian subsidiary companies								
IDFC Alternatives Limited	3.33	273.57	(1.06)	3.57	-	-	(3.17)	3.57
IDFC AMC Trustee Company Limited	0.00	0.33	(0.02)	0.07	(0.00)	(0.01)	(0.06)	0.06
IDFC Asset Management Company Limited	4.62	379.49	(42.48)	143.03	0.44	0.99	(127.94)	144.02
IDFC Projects Limited	(1.14)	(94.05)	0.04	(0.13)	-	-	0.11	(0.13)
IDFC Securities Limited	-	-	1.13	(3.82)	-	-	3.39	(3.82)
IDFC Trustee Company Limited	0.01	0.54	0.01	(0.03)	-	-	0.03	(0.03)
IDFC Financial Holding Company Limited	111.47	9,156.77	(13.01)	43.80	-	-	(38.91)	43.80
IDFC Foundation	0.56	45.98	2.76	(9.30)	0.05	0.12	8.16	(9.18)
India Multi Avenues Fund Limited	(0.02)	(1.64)	0.07	(0.23)	-	-	0.20	(0.23)
IDFC IEH Conservative fund	0.38	31.62	0.16	(0.52)	-	-	0.47	(0.52)
IDFC IEH Tactical fund (upto March 16, 2021)	0.27	21.95	0.76	(2.57)	-	-	2.28	(2.57)
Foreign subsidiary companies								
IDFC Capital (Singapore) Pte Ltd	-	-	0.02	(0.06)	-	-	0.05	(0.06)
IDFC Capital (USA) Inc.	-	-	(0.01)	0.03	-	-	(0.02)	0.03
IDFC Securities Singapore Pte Ltd	-	-	0.04	(0.13)	-	-	0.12	(0.13)
IDFC Investment Managers (Mauritius) Limited	0.01	0.83	0.14	(0.46)	-	-	0.41	(0.46)
Indian associate companies								
IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited)	81.71	6,712.42	137.90	(464.34)	99.64	223.34	214.09	(241.00)
Novopay Solutions Private Limited	-	-	0.13	(0.44)	-	-	0.39	(0.44)
Jetpur Somnath Tollways Private Limited	-	-	-	-	-	-	-	-
Joint venture company								
Delhi Integrated Multi - Modal Transit System Limited	0.73	60.30	(0.30)	1.02	(0.08)	(0.17)	(0.75)	0.85
Infrastructure Development Corporation (Karnataka) Limited ("iDeck")	0.55	45.30	0.91	(3.05)	0.00	0.01	2.70	(3.04)
Total (A)	315.22	25,894.51	84.52	(284.58)	100.00	224.17	53.67	(60.41)
a) Adjustment arising out of consolidation								
Intercompany Eliminations	(215.19)	(17,676.83)	15.69	(52.88)	-	-	46.97	(52.88)
b) Non-controlling interests								
- IDFC IEH Conservative Fund	(0.03)	(2.65)	(0.01)	0.04	-	-	(0.04)	0.04
- IDFC IEH Tactical Fund	-	-	(0.22)	0.74	-	-	(0.65)	0.74
- IDFC Asset Management Company Limited	(0.00)	(0.15)	0.02	(0.06)	-	-	0.05	(0.06)
Total (B)	(215.22)	(17,679.63)	15.48	(52.16)	-	-	46.33	(52.16)
Total (A) + (B)	100.00	8,214.88	100.00	(336.74)	100.00	224.17	100.00	(112.57)

48. RELATED PARTY TRANSACTIONS

a) Subsidiaries

Direct:

IDFC Foundation
IDFC Financial Holding Company Limited
IDFC Projects Limited
IDFC Alternatives Limited
IDFC Trustee Company Limited

Through subsidiaries:

IDFC Asset Management Company Limited
IDFC Securities Limited (upto June 10, 2020)
IDFC Capital (USA) Inc. (upto June 10, 2020)
IDFC Capital (Singapore) Pte. Ltd. (liquidated on February 23, 2021)
IDFC Investment Managers (Mauritius) Limited
IDFC Securities Singapore Pte. Limited (upto June 10, 2020)
IDFC AMC Trustee Company Limited
India Multi Avenues Fund Limited
IDFC IEH Tactical Fund (w.e.f February 16, 2019 and upto March 16, 2021)
IDFC IEH Conservative Fund

b) Joint ventures

Through subsidiaries:

Delhi Integrated Multi-Modal Transit System Limited
Infrastructure Development Corporation (Karnataka) Limited
India PPP Capacity Building Trust

c) Associates

Direct:

Novopay Solutions Private Limited

Through subsidiaries:

IDFC FIRST Bank Limited
IDFC FIRST Bharat Limited
Millennium City Expressways Private Limited
Jetpur Somnath Tollways Private Limited

d) Key management personnel

Mr. Sunil Kakar - Managing Director & CEO
Mr. Bipin Gemani - Chief Financial Officer
Mr. Vinod Rai - Independent director (upto May 24, 2021)
Mr. Vinod Rai -Non Independent director (wef May 25, 2021 upto September 22, 2021)
Mr. Soumyajit Ghosh - Nominee Director (upto March 25, 2021)
Mr. Anshuman Sharma - Nominee Director (upto March 25, 2021)
Ms. Ritu Anand - Independent director
Mr. Ajay Sondhi - Independent director
Ms. Anita Belani - Independent Director (w.e.f November 09, 2021)
Dr. Jaimini Bhagwati - Independent director (w.e.f. May 25, 2021)
Mr. Anil Singhvi - Independent director (w.e.f. May 25, 2021)

e) Key management personnel compensation

(In ₹ crore)

	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefit	5.48	7.16
Long-term employee benefit	0.62	0.62
Total	6.10	7.78

Sitting fees and Commission to directors has been disclosed as “Directors’ Sitting Fees” & “Commission to directors” under “other expenses” in note 30.

I) The nature and volume of transactions of the Group with the above mentioned related parties are as summarised below:

(In ₹ crore)

	Associates / JV's / Others	Associates / JV's / Others	Key Management Personnel	Key Management Personnel
	2022	2021	2022	2021
INCOME				
Interest	0.34	8.13	-	-
Rental Income	-	2.36	-	-
Sitting fees received	0.04	0.03	-	-
EXPENDITURE				
Remuneration paid	-	-	6.10	7.78
Shared service cost	0.32	0.33	-	-
Lease rent	0.05	0.05	-	-
ASSETS / TRANSACTIONS				
Transfer of fixed assets	-	0.02	-	-
Current account balance	66.71	36.54	-	-
Fixed deposits placed	316.99	1,622.16	-	-
Fixed deposits matured	93.29	2,231.46	-	-
Fixed deposits - Balance outstanding	223.70	-	-	-
Interest accrued on deposits	0.14	-	-	-
Other receivables	0.02	-	-	-
Outstanding Preference investment	89.55	89.55	-	-
Outstanding Equity investment	8,462.93	8,462.93	-	-

49 The disclosure on the following matters required under Schedule III as amended on March 24, 2021 not being relevant or applicable in case of the Group, same are not covered:

(i) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

(ii) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) No satisfaction of charges are pending to be filed with ROC.

(v) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(vi) The Group has entered into scheme of arrangement, details of which are disclosed in Note 1A. As approval from RD is still pending, no accounting impact has been given in current or previous financial year.

(vii) There have been no revaluation of Plant, Property and Equipment during the current year.

(viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(x) The Group has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.

(xi) The Group has not entered into any transaction with Struck off Companies other than those stated below:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding (No.of shares as on March 31, 2022)
ARPITA TRADING	Shares held by struck off company	4,500
JALAN HOLDINGS PRIVATE LIMITED		1,500
SAFNA CONSULTANCY PVT LTD		500
YOGESH INVESTMENT PVT.LTD.		200
VINAYAK CONSULTING PRIVATE LIMITED		10
KOTHARI INTERGROUP LTD.		2
VAISHAK SHARES LIMITED		1
DREAMS BROKING PVT LTD		1

50 OTHER DISCLOSURES:

(i) The Group did not have any long term contracts including derivative contracts for which there are any material losses.

51 COVID IMPACT

The Group continues to closely monitor the situation and in response to this health crisis has implemented protocols and processes to execute its business continuity plans and help protect its employees and support its clients.

In lights of the Covid-19 outbreak and based on the information available upto the date of the approval of these Financial Statements, the Group has assessed its liquidity position for the next one year.

The Group has further assessed the recoverability and carrying value of its assets comprising of Property, Plant and Equipment and Investments as at March 31, 2022, and has concluded that there are no material adjustments required in the financial statements, other than those already considered. The Management has performed an analysis of the fair value of its unquoted and illiquid investments and the same has been considered in the financial result. The future direct and indirect impact of COVID-19 on the Group's business, results of operations, financial position and cash flows will be monitored by the Group. The Group will also continue to monitor any material changes to future economic conditions.

52 Previous year numbers have been regrouped / rearranged wherever necessary, in order to make them comparable.

For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration No. 105146W/ W100621

Gautam V Shah
Partner
Membership Number: 117348

Mumbai, May 20, 2022

For and on behalf of the Board of Directors of
IDFC Limited
CIN: L65191TN1997PLC037415

Anil Singhvi
Independent Non-Executive Chairman
(DIN: 00239589)

Sunil Kakar
Managing Director & CEO
(DIN: 03055561)

Mahendra N. Shah
Company Secretary
(ACS: 4222)

Bipin Gemani
Chief Financial Officer
(PAN: AACPG6412A)

IDFC LIMITED

Corporate Identity Number: L65191TN1997PLC037415 info@idfclimited.com; www.idfclimited.com
Regd. Office: 4th Flr., Capitale Tower, 555 Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet, Chennai - 600 018 **Tel:** +91 44 4564 4201 / 4202 / 4223
Corp. Office: 906/907, 9th Floor, Embassy Centre, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 **Tel** +91 22 2282 1549

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting (**"AGM"**) of the Members of IDFC Limited (**"IDFC"** or **"the Company"**) will be held on Tuesday, September 27, 2022 at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

   a. the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and the Auditors thereon; and

   b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the Report of the Auditors thereon.

SPECIAL BUSINESS

2. Appointment of Mr. Mahendra N Shah as the Managing Director

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, approval of the Board be and is hereby accorded to appoint Mr. Mahendra N Shah (DIN: 00124629), as Managing Director ("MD"), in the capacity of Key Managerial Personnel of the Company w.e.f. October 01, 2022 till September 30, 2023, on the terms and conditions, including remuneration, as set out hereunder,

i. Basic Salary: Rs. 10,00,000 (Rupees Ten Lacs) per month.

ii. Perquisites and Allowances: In addition to the Basic Salary, Mr. Mahendra N Shah will also be entitled to the perquisites and allowances like house rent allowance or rent free furnished accommodation in lieu thereof, house maintenance allowance, variable pay / performance linked incentives, employee stock options, conveyance allowance, medical reimbursement, leave travel allowance, special allowance, use of Company car for official purposes, telephone at residence, contribution to provident fund, superannuation fund and payment of gratuity and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed by the Board of Directors of the Company with Mr. Mahendra N Shah from time to time. For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable.

RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorised to decide the remuneration (salary, perquisites and bonus) payable to Mr. Mahendra N Shah within the terms mentioned above.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits the remuneration as decided by the Board or any Committee thereof from time to time, shall be paid to Mr. Mahendra N Shah as per the provisions of the Companies Act, 2013 read with the applicable provisions of Schedule V of the Companies Act, 2013 and Rules made there under.

RESOLVED FURTHER THAT Mr. Shah shall not be liable to retire by rotation during his tenure as MD.

RESOLVED FURTHER THAT for purpose of giving effect to the foregoing resolution, the Board of Directors or any Committee thereof and / or Ms. Shivangi Mistry, Company Secretary & Compliance Officer, be and are hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

By order of the Board of Directors

Shivangi Mistry
Company Secretary

Mumbai | August 29, 2022

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated General Circular No. 14/2020 dated April 8, 2020 read with General Circular No. 17/2020 dated April 13, 2020 read with General Circular No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021 and No. 20/2021 dated December 08, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 05, 2022 as amended from time to time (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India (SEBI) vide its circular dated May 13, 2022 have permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without physical presence of the Members at a common venue. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 25th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM' or "e-AGM").
2. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories / DPs in order to increase the efficiency of the voting process. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Businesses set out in the Notice is annexed hereto. Brief resume and other details of Director proposed to be appointed / reappointed as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 ("SEBI LODR Regulations") are given in the Exhibit to the Notice.
3. e-AGM: Company has appointed KFin Technologies Limited ("KFIN" or "RTA"), Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/ Authorization should be sent electronically through their registered email address to the Scrutinizer at scrutinizer.idfc@kfintech.com with a copy marked to shivangi.mistry@idfclimited.com.
6. (a) Members are requested to address all correspondence, including change in address / bank account details, to KFin Technologies Limited [Unit: IDFC Limited], Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad–500 032, India. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of bank account details to their respective Depository Participants ("DP").
   (b) SEBI vide its circular dated April 20, 2018 has made it mandatory for the Company to collect copy of Income Tax Permanent Account Number (PAN) and bank account details of all security holders holding securities in physical form. Accordingly, all Shareholders holding shares in physical form are requested to submit duly attested documents to KFin.
   (c) As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical mode can download the nomination form by logging in https://kprism.kfintech.com/ or write to einward.ris@kfintech.com for the nomination registration process. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form.
   (d) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFin, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities or mutation of names of the deceased shareholder. In view of this and to eliminate all risks associated with

physical shares and for ease of managing their portfolio members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin for any assistance in this regard.

8. Attending e-AGM: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin. Members may access the same at https://emeetings.kfintech. com/ by clicking on "Video Conference" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No. 18 below. Kindly refer note no. 17 below for detailed instruction for participating in e-AGM through Video Conferencing. The Members can join the e-AGM 15 minutes before the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
9. As per the MCA Circular up to 2000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, scrutinizer etc.
10. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Remote e-Voting: Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin Technologies Limited. Kindly refer Note no. 18 below for detailed instruction for remote e-voting.
12. Voting during the AGM: Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting may cast their vote during the e-AGM through the e-voting system provided by KFin Technologies Limited in the Video Conferencing platform during the e-AGM. Kindly refer Note no. 19 below for instruction for e-voting during the AGM.
13. The Company has fixed Tuesday, September 20, 2022 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM.
14. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
15. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.idfclimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively where the Company's shares are listed. The same is also available on the website of KFin Technologies Limited at the website address https://evoting.kfintech.com/.
16. Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form)
    i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
        a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
        b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Limited by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.
    ii. Those members who have not registered their email addresses with the Company's RTA / Depository Participants, as the case may be, are requested to visit https://ris.kfintech.com/email_registration/ and follow the process as mentioned on the landing page to receive the Annual Report, AGM Notice and Voting Instructions. In case of any queries, shareholder may write to einward.ris@kfintech.com.
    iii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.
17. Instructions to the Members for attending the e-AGM through Video Conference:
    i. Attending the e-AGM: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Limited.

Members may access the same at logging in https://emeetings.kfintech.com/ using the login credentials and click on "Video Conference". Select the EVENT and click on the camera icon to join the meeting.

ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting in Note No. 18 below.

iii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

iv. Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

v. Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vi. Submission of Questions / queries prior to e-AGM:

a. Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id i.e. shivangi.mistry@idfclimited.com at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date.

b. Alternatively, shareholders holding shares as on cut-off date may also visit https://emeetings.kfintech.com/ and click on the tab "Post Your Queries Here" to post their queries/ views/ questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

vii. Speaker Registration before e-AGM: In addition to above, speaker registration may also be allowed during the remote e-voting period. Shareholders who wish to register as speakers are requested to visit https://emeetings.kfintech.com/ and click on 'Speaker Registration' during this period. Shareholders are requested to wait for their turn to be called by the Chairman of the meeting or the moderator as the case maybe, during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 17(vi) above.

viii. All documents referred to in the accompanying explanatory statement are available for inspection upto the date of the e-AGM on the website of the Company at the following weblink:
http://www.idfclimited.com/investor_relations/annual_report.htm

ix. Members who wish to inspect, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to: shivangi.mistry@idfclimited.com

18. Instructions for members for remote e-Voting: In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Limited ('remote e-voting'). Members attending the e-AGM who have not already cast their vote by remote e-Voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman

i. The remote e-voting facility will be available during the following period:

a. Day, date and time of commencement of remote e-voting: **Thursday, September 22, 2022 at 9:00 a.m.**

b. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: **Monday, September 26, 2022 at 5:00 p.m.**

ii. Details of Website: https://emeetings.kfintech.com/

iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being **Tuesday, September 20, 2022**. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on Friday, August 26, 2022 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires shares of the Company and becomes Member of the Company after Friday, August 26, 2022 being the date reckoned for sending the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. **Tuesday, September 20, 2022**, may obtain the User Id and password in the manner as mentioned below:

a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:
MYEPWD <space> Folio number or DPID Client ID to +91-9212993399

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>402345612345678

Example for Physical: MYEPWD<SPACE>
1234567890

If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of https://emeetings.kfintech. com/, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

b) Member may call KFin's Toll free number 1-800-3454-001.

c) Member may send an e-mail request to evoting@kfintech.com.

v. Details of persons to be contacted for issues relating to e-voting:
Ms. Krishna Priya M, Sr. Manager - Corporate Registry,
KFin Technologies Limited,
Unit: IDFC
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032.
Contact No. 040-6716 2222/ 7961 1000
Toll Free No.: 18003454001,
E-mail: priya.maddula@kfintech.com

vi. The Board of Directors has appointed Bhandari & Associates, Company Secretaries, as the Scrutinizer, to conduct the e-AGM through e-voting process in a fair and transparent manner. Ms. Manisha Maheshwari (Membership No. ACS 30224 and CP. 11031), Partner and failing her, Mr. S N Bhandari (Membership No. FCS 761 and CP. 366), Partner, will represent Bhandari & Associates, Company Secretaries.

viii. **The procedure and instructions for remote e-Voting facility are as follows:**

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	**2. User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1. **3. Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi/ Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 **3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – **Kfintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **022-23058542-43**

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., '6888-AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either

"FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id at manisha.maheshwari@anbglobal.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "CLIENT EVENT No 6888"

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at shivangi.mistry@idfclimited.com. Questions /queries received by the Company till September 25, 2022 shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from Thursday, September 22, 0222 to Monday, September 26, 2022. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from Thursday, September 22, 0222 to Monday, September 26, 2022.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Ms. Krishna Priya M , Senior Manager - Corporate Registry, at evoting@kfintech.com or call KFintech's toll free No. 1-800-3094-001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, September 20, 2022**, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

vi. The Scrutinizer's decision on the validity of the vote shall be final.

vii. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.

viii. The Scrutinizer after scrutinising the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.

ix. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.idfclimited.com and on the website of KFin Technologies Limited i.e. https://emeetings.kfintech.com/. The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

x. The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

19. **Instructions for members for Voting during the e-AGM session:**

i. The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.

ii. E-voting during the AGM is integrate with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.

iii. Members / shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.

ANNEXURE TO NOTICE

Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out all material facts:

Item no. 2

Mr. Sunil Kakar was appointed as Managing Director & Chief Executive Officer of IDFC Limited in the capacity of Key Managerial Person for a period of 3 years with effect from July 16, 2017. The Shareholders of the Company at its 23rd AGM held on September 25, 2020, had accorded their approval for the reappointment of Mr. Sunil Kakar as Managing Director & CEO w.e.f. July 16, 2020 till September 30, 2022. His 2nd term will conclude on September 30, 2022.

Based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the shareholders at this meeting, the Board of Directors of the Company, at its meeting held on August 24, 2022 approved the appointment of Mr. Mahendra N Shah as the Managing Director of IDFC Limited from October 01, 2022 till September 30, 2023 on such terms and conditions as mentioned in the resolution set out in item no. 2. The Nomination and Remuneration Committee and Board also approved variable pay to Mr. Shah not exceeding 50% of fixed remuneration CTC.

The profile of Mr. Mahendra N Shah in terms of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and details of his remuneration last drawn have been provided in the Exhibit to this Notice.

The Company is only a Holding /Investment Company and does not have any business / operations. The strategic plan for the company is to simplify the corporate structure and unlock value for the shareholders. In the process, the Company may / may not have adequate profits for each financial year. Accordingly, approval of the shareholders is sought by way of special resolution so that, in case the Company has no profits or inadequate profits at the end of any financial year, the remuneration as decided by the Board or any Committee thereof from time to time, may be paid to Mr. Mahendra N Shah as per the provisions of the Companies Act, 2013 read with the applicable provisions of Schedule V of the Companies Act, 2013 and Rules made thereunder from time to time.

The details about Mr. Shah's current and proposed remuneration are given in Exhibit to this Notice on the next page.

Mr. Mahendra N Shah is a qualified professional and is not related to any Director / major Shareholder.

Except Mr. Mahendra N Shah, none of the Directors or Key Managerial Personnel and / or their relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

The Board of Directors recommend passing of a **Special Resolution** as set out in Item No. 2 for approval of the Shareholders.

By order of the Board of Directors

Shivangi Mistry
Company Secretary

Mumbai | August 29, 2022

EXHIBIT TO NOTICE

Pursuant to Regulation 36(3) of SEBI LODR Regulations, following information is furnished in respect of Directors proposed to be appointed / reappointed.

Name of the Director	**Mr. Mahendra N Shah**
Date of Birth	November 7, 1958
Age	63 years
Date of Appointment	October 01, 2022
Detailed Profile including Nature of Expertise	Mr. Mahendra N. Shah was the Group Company Secretary & Group Chief Compliance Officer of IDFC Bank Limited and had been the Group Head - Governance, Compliance & Secretarial and Senior Advisor- Taxation at IDFC Limited for more than two decades. In this role, Mr. Shah was responsible for Secretarial, Governance and Compliance functions for over 26 companies/entities of IDFC Group. Currently he is the Company Secretary & Compliance Officer of IDFC Limited since May 24, 2019. Prior to joining IDFC in 2001, Mr. Shah worked with International Paper Limited for a period of six years as Director Finance and Company Secretary where he was in charge of finance function and regulatory compliances. Mr. Shah has worked as Head of Taxation in SKF Bearings India Limited where he was responsible for Direct and Indirect Taxation matters of the Company across India. He also worked for a short period with Pfizer Ltd as Finance Officer. He completed his article ship training for CA with M/s. Bansi S. Mehta & Co, CA for 3 years. He is a qualified member of the Institute of Chartered Accountants of India (ICAI), the Institute of Cost & Management Accountants of India (ICWA) and the Institute of Company Secretaries of India (ICSI).
No. of Board Meetings attended during 2020-21	Not Applicable
Directorships held in all other companies	1. IDFC Projects Limited 2. IDFC Alternatives Limited 3. IDFC Foundation 4. IDFC Trustee Company Limited 5. Delhi Integrated Multi Modal Transit System Limited 6. Infrastructure Development Corporation (Karnataka) Limited 7. Surekha Properties Limited
Memberships ("M")/ Chairmanships ("C") of Committees of the Board of all companies	IDFC Limited 1. Allotment and Share Transfer Committee – Member IDFC Alternatives Limited 1. CSR Committee – Chairman IDFC Projects Limited 1. Right Issue Committee-Member
Number of Equity Shares held in the Company	100 (One Hundred)
Inter-se relationship with other Directors / KMP	No relationship with any Director / KMP. Mr. Mahendra N Shah is a qualified professional and is not related to any Director / major Shareholder.
Details of Remuneration sought to be paid	Refer resolution mentioned in the Notice which forms part of this annual report and as per details below
Remuneration last drawn by the Director (CTC)	(in Rupees Lacs)

	Proposed Remuneration for the position of Managing Director *	Remuneration last drawn in capacity as Company Secretary
Basic Salary	120.00	100.20
House Rent Allowance	30.00	30.00
Car related expenses	13.53	13.53
Provident Fund Contribution	14.40	12.02
National Pension Scheme	12.00	10.02
Gratuity	10.00	8.35
Other allowances	0.07	0.28
Gross CTC	200.00	174.40

* Variable pay linked to performance - not exceeding 50% of CTC.

IDFC LIMITED
www.idfclimited.com
info@idfclimited.com

REGISTERED OFFICE
4th Floor, Capitale Tower,
555 Anna Salai,
Thiru Vi Ka Kudiyiruppu,
Teynampet, Chennai - 600 018
TEL: +91 44 4564 4201 / 4202 / 4223

CORPORATE OFFICE
906/907, 9th Floor,
Embassy Centre,
Jamnalal Bajaj Road,
Nariman Point, Mumbai – 400021
TEL: +91 22 2282 1549

Annexure-IV

	IDFC LIMITED
Date of the AGM/EGM	27-09-2022
Total number of shareholders on record date	445274
No. of shareholders present in the meeting either in person or through proxy:	
Promoters and Promoter Group:	Not Applicable
Public:	Not Applicable
No. of Shareholders attended the meeting through Video Conferencing	
Promoters and Promoter Group:	0
Public:	63

Resolution No.	1									
Resolution required: (Ordinary/ Special)	ORDINARY - To consider and adopt: a. the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and the Auditors thereon; and b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the Report of the Auditors thereon.									
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	0	0	0.0000	0	0	0.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		0	0.0000	0	0	0.0000	0.0000	0	0
Public- Institutions	E-Voting	872,195,773	727,363,121	83.3945	727,363,121	0	100.0000	0.0000	0	1,451,433
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		727,363,121	83.3945	727,363,121	0	100.0000	0.0000	0	1451433
Public- Non Institutions	E-Voting	724,300,169	156,042,897	21.5440	156,025,253	17,644	99.9886	0.0113	0	45,788
	Poll		3,649,801	0.5039	3,649,801	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		159,692,698	22.0479	159,675,054	17,644	99.9890	0.0110	0	45788
	Total	1,596,495,942	887,055,819	55.5627	887,038,175	17,644	99.9980	0.0020	0	1497221

Resolution No.	2									
Resolution required: (Ordinary/ Special)	SPECIAL - Appointment of Mr. Mahendra N Shah as the Managing Director									
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	0	0	0.0000	0	0	0.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		0	0.0000	0	0	0.0000	0.0000	0	0
Public- Institutions	E-Voting	872,195,773	728,814,554	83.5609	616,579,461	112,235,093	84.6003	15.3996	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		728,814,554	83.5609	616,579,461	112,235,093	84.6003	15.3997	0	0
Public- Non Institutions	E-Voting	724,300,169	156,042,188	21.5439	155,315,487	726,701	99.5342	0.4657	0	46,513
	Poll		3,649,801	0.5039	3,649,801	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		159,691,989	22.0478	158,965,288	726,701	99.5449	0.4551	0	46513
	Total	1,596,495,942	888,506,543	55.6535	775,544,749	112,961,794	87.2863	12.7137	0	46513

For IDFC Limited

Shivangi

Shivangi Mistry
Company Secretary

IDFC LIMITED MUMBAI