July 28, 2016

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

Re: Outcome of 19th Annual General Meeting- IDFC Limited

Dear Sir,

In continuation to our letter dated July 1, 2016, we wish to inform you that at the 19th Annual General Meeting of the Shareholders of IDFC Limited (**"the Company"**) which was held on Wednesday, July 27, 2016 at 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, Tamil Nadu, at 2:00 p.m., the business mentioned in the Notice dated June 25, 2016 were transacted.

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 July 27, 2016, 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 2015-16 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**.

Please note that Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be sent separately.

This is for your information and records.

For IDFC Limited

Ketan Kulkarni
Company Secretary

IDFC LIMITED MUMBAI

IDFC Limited
Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Tel: +91 22 4222 2000 / 6147 8383
Registered Office: KRM Towers, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai 600 031 Tel: +91 44 4564 4000 Fax: +91 44 4564 4022
CIN: L65191TN1997PLC037415 info@idfc.com www.idfc.com

Annexure – I

Summary of proceedings of the 19th Annual General Meeting:

The 19th Annual General Meeting (AGM) of the Members of IDFC Limited ('the Company') was held on Wednesday, July 27, 2016 at 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, Tamil Nadu, at 2:00 p.m. Mr. Vinod Rai chaired the meeting. He introduced the members of the Board seated on the dais. The requisite quorum being present, the Chairman called the meeting to order. Mrs. Snehlata Shrivastava, the Nominee of the Ministry of Finance, Government of India could not attend the AGM due to her prior commitments at the Ministry and Mr. Chintamani Bhagat, Nominee of Domestic & Foreign Institution could not attend the AGM due to medical emergencies. Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee were present at the Meeting. The representatives of the Statutory Auditors and Secretarial Auditors were also present at the Meeting.

The Notice of the AGM was taken as read with the permission of the shareholders. The auditors' report 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 members present confirmed the same.

The Chairman delivered his speech and invited members to ask their queries, if any, give suggestions, seek clarifications. The Chairman requested Mr. Vikram Limaye, Managing Director & CEO to respond to the queries raised at the AGM.

The Chairman informed that the Company had provided 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 had not cast their votes electronically were provided an opportunity to cast their votes at the end of the meeting by way of physical ballot form.

The following items of business, as per the Notice of AGM dated June 25, 2016, were transacted at the meeting.

i.	To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon
ii.	To appoint auditors and to fix their remuneration.
iii.	Appointment of Mr. Gautam Kaji as an Independent Director of the Company
iv.	Appointment of Mr. Chintamani Bhagat as a Nominee Director of the Company
v.	Reappointment of Mr. Vikram Limaye as Managing Director & CEO of the Company
vi.	Reappointment of Mr. Donald Peck as an Independent Director of the Company
vii.	Approval of the borrowing limits of the Company including issue of non-convertible securities under private placement.

The Board of Directors had appointed Mr. B Narasimhan, of BN & Associates 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 by next day i.e. July 28, 2016.

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

IDFC LIMITED MUMBAI

Annexure II

BN & ASSOCIATES
Company Secretaries

Combined Scrutinizer's Report on Remote E-voting & Voting by Physical Ballot conducted at the 19th of IDFC Limited held at Chennai on July 27, 2016

To,

The Non-Executive Chairman,
IDFC Limited
KRM Tower, 8th Floor, No.1 Harrington Road,
Chetpet, Chennai – 600 031, Tamil Nadu.

19th Annual General Meeting of the Equity Shareholders of IDFC Limited held on Wednesday, July 27, 2016 at 2.00 P. M. at 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.

Sub: Passing of Resolution(s) through Remote E-voting process as well as Physical Ballot voting process conducted at the venue of the AGM pursuant to Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of IDFC Limited (*hereinafter referred to as the 'IDFC' or 'the Company'*) at its meeting held on April 29, 2016 had appointed me as the Scrutinizer for the Remote E-voting process as well as to scrutinize the Physical Ballot voting conducted at the venue of the AGM pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. I say, I am familiar and well versed with the concept of Remote E-voting and Physical Ballot voting system as prescribed under the said Rules.

Report on Scrutiny:

- IDFC had appointed Karvy Computershare Private Ltd. ('**KARVY**' or '**KCPL**') as the service provider, for the purpose of extending the facility of Remote E-voting to the Members of the Co. . KCPL are also the Registrar and Share Transfer Agents ('**RTA**') of the Co. .

- The Service Provider had provided a system for recording the votes of the Members electronically through Remote E-voting on all the items of the business (both Ordinary and Special businesses) sought to be transacted at the 19th Annual General Meeting ('**AGM**') of the Company, which was held on Wednesday, July 27, 2016.

C/O. Karvy Computershare Pvt. Ltd. 24-B Raja Bahadur Mansion, Ground Floor, Ambalal Doshi Marg, B/H BSE, Fort, Mumbai - 400 023.
T :91 22 6623 5454 D:91 22 6623 5411 Fax:91 22 6633 1135 Cell :9820142331/9004089490
E-mail :narasimhan.b8@gmail.com // bn@karvy.com

Resi : 601/602, B-wing, Cosmic Heights, Bhakti Park, Imax Theater Compound, Wadala (E), Mumbai - 400 037.
(T) : 91 22 2403 6596

- The Service Provider had set up electronic voting facility on their website, https://evoting.karvy.com. The Company had uploaded all the items of the business to be transacted at the AGM on the website of the Company and also it's Service Provider to facilitate their Members to cast their vote through Remote E-voting.

- The cut-off date for the dispatch of the Notice of the AGM was June 24, 2016 and as on that date, there were 486,298 Members of the Company. The service provider had sent the Notices of the AGM along with Annual Report and E-voting details by email to 316171 Members whose email Ids were made available by the Depositories and for those members, holding in physical form, who had registered their email Ids with the RTA by June 24, 2016. In respect of 170127 Members, whose Email Ids were not available, the Notices were sent by courier/speed post from June 27, 2016 to July 2, 2016.

- The Notices sent (both through email and physical form) contained the detailed procedure to be followed by the Members who were desirous of casting their votes electronically as provided in the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended.

- The **Cut-off date** for the purposes of identifying the Members who will be entitled to vote on the resolutions placed for approval of the Members was **Wednesday, July 20, 2016.**

- As prescribed in the aforesaid Rules, the Remote E-voting facility was kept open for five days from **Friday, July 22, 2016 at 9:00 A.M. to Tuesday, July 26, 2016 at 5:00 P.M.**

- The Company completed the dispatch of the notices to the members by July 2, 2016.

- As prescribed in clause (v) of sub rule 4 of the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Co. also released an advertisement, which was published more than 21 days before the date of the AGM in English in 'Hindu Business Line' newspaper having country-wide circulation dated July 4, 2016 and in Tamil in 'Makkal Kural' newspaper dated July 4, 2016. The notice published in the newspaper carried the required information as specified in sub rule 4(v) (a) to (h) of the said Rule 20.

- At the end of the voting period on July 26, 2016 at 5.00 P.M., the voting portal of the Service Provider was blocked forthwith.

- At the venue of the 19th AGM of the Company held on July 27, 2016, the facility to vote through Physical Ballot was provided to facilitate those members present in the meeting but could not participate in the Remote E-voting to record their votes.

- After the voting at the AGM was concluded, two (2) ballot boxes kept for the purpose of casting of votes were locked in my presence with due identification marks placed by me. The locked ballot boxes were subsequently opened in my

Company Secretaries BN & ASSOCIATES PCS No. 10440, Mumbai

presence and in presence of two witnesses, as mentioned below, and ballot papers were diligently scrutinized. The ballot papers were reconciled with the records maintained by the Registrar and Transfer Agents of the Co. and the authorizations / proxies lodged with the Co.. The ballot paper, which were incomplete and / or which were otherwise found defective have been treated as invalid and kept separately.

- On July 27, 2016, after tabulating the votes conducted at the venue of the AGM through Physical Ballot, the votes cast through Remote E-voting facility were duly unblocked by me as a Scrutinizer in the presence of Mr. M R V Subramanyam and Mr. V Rajendra who acted as the witnesses, as prescribed in sub rule 4(xii) of the said Rule 20.

- Thereafter, I as a Scrutinizer duly compiled details of the Remote E-voting carried out by the Members and the voting done by Physical Ballot at the venue of the AGM, the details of which are as follows:

Details	Remote E-voting	Voting through Physical Ballot at AGM	Total voting
Number of members who cast their votes	510	21	531
Total number of Shares held by them	956562066	156303827	1112865893
Valid votes	As per details provided under each one of the Resolution(s) mentioned hereunder		
Abstained / Invalid Votes	As per details provided under each one of the Resolution(s) mentioned hereunder		

Note:

1. Percentage of votes cast in favour or against the resolutions are calculated based on the Valid Votes cast through Remote E-voting and through Physical Ballot voting at the venue of the AGM.

ORDINARY BUSINESS

I) Item No. 1 of the Notice (As an Ordinary Resolution):

To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.

Manner of voting	Votes in favour of the resolution		Votes against the resolution		Invalid votes
	Nos.	%age	Nos.	%age	Nos.
Total votes through Remote e-voting and voting at meeting through Physical Ballot	1100125731	99.999	4553	0.001	12735609

Item 1 of Notice stands passed with the requisite majority

II) Item No. 2 of the Notice (As an Ordinary Resolution):

To appoint Auditors and to fix their remuneration

Manner of voting	Votes in favour of the resolution		Votes against the resolution		Invalid votes
	Nos.	%age	Nos.	%age	Nos.
Total votes through Remote e-voting and voting at meeting through Physical Ballot	988893144	92.902	75559076	7.098	48413673

Item 2 of Notice stands passed with the requisite majority

SPECIAL BUSINESS

III) Item No. 3 of the Notice (As an Ordinary Resolution):

Appointment of Mr. Gautam Kaji as an Independent Director of the Company

Company Secretaries BN & Co. PCS No. 10440, Mumbai

Manner of voting	Votes in favour of the resolution		Votes against the resolution		Invalid votes
	Nos.	%age	Nos.	%age	Nos.
Total votes through Remote e-voting and voting at meeting through Physical Ballot	**965380763**	**94.720**	**53814740**	**5.280**	**93670390**

Item 3 of Notice stands passed with the requisite majority

IV) Item No. 4 of the Notice (As an Ordinary Resolution):

Appointment of Mr. Chintamani Bhagat as a Nominee Director of the Company

Manner of voting	Votes in favour of the resolution		Votes against the resolution		Invalid votes
	Nos.	%age	Nos.	%age	Nos.
Total votes through Remote e-voting and voting at meeting through Physical Ballot	**1082634941**	**98.344**	**18226922**	**1.656**	**12004030**

Item 4 of Notice stands passed with the requisite majority

V) Item No. 5 of the Notice (As an Ordinary Resolution):

Reappointment of Mr. Vikram Limaye as Managing Director & CEO of the Company

Manner of voting	Votes in favour of the resolution		Votes against the resolution		Invalid votes
	Nos.	%age	Nos.	%age	Nos.
Total votes through Remote e-voting and voting at meeting through Physical Ballot	**1090200503**	**99.031**	**10663360**	**0.969**	**12002030**

Company Secretaries BN & Associates PCS No. 10440, Mumbai

Item 5 of Notice stands passed with the requisite majority

VI) Item No. 6 of the Notice (As a Special Resolution):

Reappointment of Mr. Donald Peck as an Independent Director of the Company

Manner of voting	Votes in favour of the resolution		Votes against the resolution		Invalid votes
	Nos.	%age	Nos.	%age	Nos.
Total votes through Remote e-voting and voting at meeting through Physical Ballot	941164412	92.344	78031091	7.656	93670390

Item 6 of Notice stands passed with the requisite majority

VII) Item No. 7 of the Notice (As a Special Resolution):

Approval of the Borrowing Limits of the Company including Issue of Non-Convertible Securities under Private Placement

Manner of voting	Votes in favour of the resolution		Votes against the resolution		Invalid votes
	Nos.	%age	Nos.	%age	Nos.
Total votes through Remote e-voting and voting at meeting through Physical Ballot	1100844913	99.999	8400	0.001	12012580

Item 7 of Notice stands passed with the requisite majority

All the Resolutions mentioned in the AGM Notice dated June 25, 2016 as per the details above and as per the break up provided in the annexure attached stand passed under Remote E-voting and voting conducted at AGM through Physical Ballot paper with the requisite majority and hence deemed to be passed as on the date of the AGM.

Company Secretaries BN & Associates FCS No. 10440, Mumbai

A Compact Disc (CD) containing a list of equity shareholders who voted "FOR", "AGAINST" and those whose votes were declared "INVALID/ABSTAINED", for each resolution is being delivered to the Company Secretary separately.

I hereby confirm that I am maintaining the Registers received from the Service Provider both for votes cast through Remote E-voting and voting conduct at AGM by way of Physical Ballot means by the Members of the Co.. All other relevant records relating to Remote E-voting and Physical Ballot voting is under my safe custody and will be handed over to the Company Secretary for safe keeping, after the Non-Executive Chairman signs the Minutes.

Thanking you,

Yours faithfully
For B.N. & Associates
COMPANY SECRETARIES

CS B Narasimhan
(Proprietor)
(FCS no 1303 COP no 10440)

Place: Chennai
Date: July 27, 2016

The following were the witnesses to the unblocking the votes cast through Remote E-voting.

1. M K V Subrahmanyam

2. V. Rajendra Prasad

I have received the report:

Signature _____

Signed by Mr. Ketan Kulkarni authorized
by the Non-Executive Chairman

Place: Chennai
Date: July 27, 2016

Break up of voting done by the shareholders of IDFC Ltd on the matters placed for their approval at the 19th AGM held on 27th July 2016

Details	Ordinary/ Special	Res No	Mode of voting	No of Share holders	Total Shares	FAVOUR			AGAINST			VALID VOTES POLLED			Abstained Less/not voted/Invalid
						No of Share holders	Shares	% age	No of Share holders	Shares	% age	No of Share holders	shares	No Of Share Holders	Shares
Adoption of the audited financial statements (standalone and Consolidated) for the year ended 31, 2016 and the reports of the Board of Directors and Auditors thereon	Ordinary	1	Remote evoting	510	956562066	492	943821956	99.999	2	4501	0.001	494	943826457	16	12735609
			Voting at AGM	21	156303827	19	156303775	100.000	2	52	0.000	21	156303827	0	0
			TOTAL	531	1112865893	511	1100125731	99.999	4	4553	0.001	515	1100130284	16	12735609
Appointment of Statutory Auditors and fixing their remuneration	Ordinary	2	Remote evoting	510	956562066	419	832589369	91.680	64	75559024	8.320	483	908148393	27	48413673
			Voting at AGM	21	156303827	19	156303775	99.999	2	52	0.001	21	156303827		0
			TOTAL	531	1112865893	438	988893144	92.902	66	75559076	7.098	504	1064452220	27	48413673
Appointment of Mr. Gautam Kaji, (DIN No. 02333127) as an Independent Director of the Company	Ordinary	3	Remote evoting	510	956562066	380	809076988	93.763	61	53814688	6.237	441	862891676	69	93670390
			Voting at AGM	21	156303827	19	156303775	99.999	2	52	0.001	21	156303827	0	0
			TOTAL	531	1112865893	399	965380763	94.720	63	53814740	5.280	462	1019195503	69	93670390
Appointment of Mr. Chintamani Bhagat, (DIN No. 07282200) as a Nominee Director of the Company	Ordinary	4	Remote evoting	510	956562066	475	926331166	98.070	18	18226870	1.930	493	944558036	17	12004030
			Voting at AGM	21	156303827	19	156303775	99.999	2	52	0.001	21	156303827	0	0
			TOTAL	531	1112865893	494	1082634941	98.344	20	18226922	1.656	514	1100861863	17	12004030
Reappointment of Mr. Vikram Limaye as Managing Director and CEO of the Company	Ordinary	5	Remote evoting	510	956562066	476	933896728	98.871	18	10663308	1.129	494	944560036	16	12002030
			Voting at AGM	21	156303827	19	156303775	99.999	2	52	0.001	21	156303827	0	0
			TOTAL	531	1112865893	495	1090200503	99.031	20	10663360	0.969	515	1100863863	16	12002030
Reappointment of Mr. Donald Peckas an Independent Director of the Company	Special	6	Remote evoting	510	956562066	369	784860637	90.957	72	78031039	9.043	441	862891676	69	93670390
			Voting at AGM	21	156303827	19	156303775	99.999	2	52	0.001	21	156303827	0	0
			TOTAL	531	1112865893	388	941164412	92.344	74	78031091	7.656	462	1019195503	69	93670390
Approval of Borrowing Limits of the Company including issue of Non-Convertible Securities under Private Placement	Special	7	Remote evoting	510	956562066	481	944541138	99.999	14	8348	0.001	495	944549486	15	12012580
			Voting at AGM	21	156303827	19	156303775	99.999	2	52	0.001	21	156303827	0	0
			TOTAL	531	1112865893	500	1100844913	99.999	16	8400	0.001	516	1100853313	15	12012580

Annexure III

IDFC LIMITED



NINETEENTH
ANNUAL REPORT
2015-2016

GROWTH & TRANSITION

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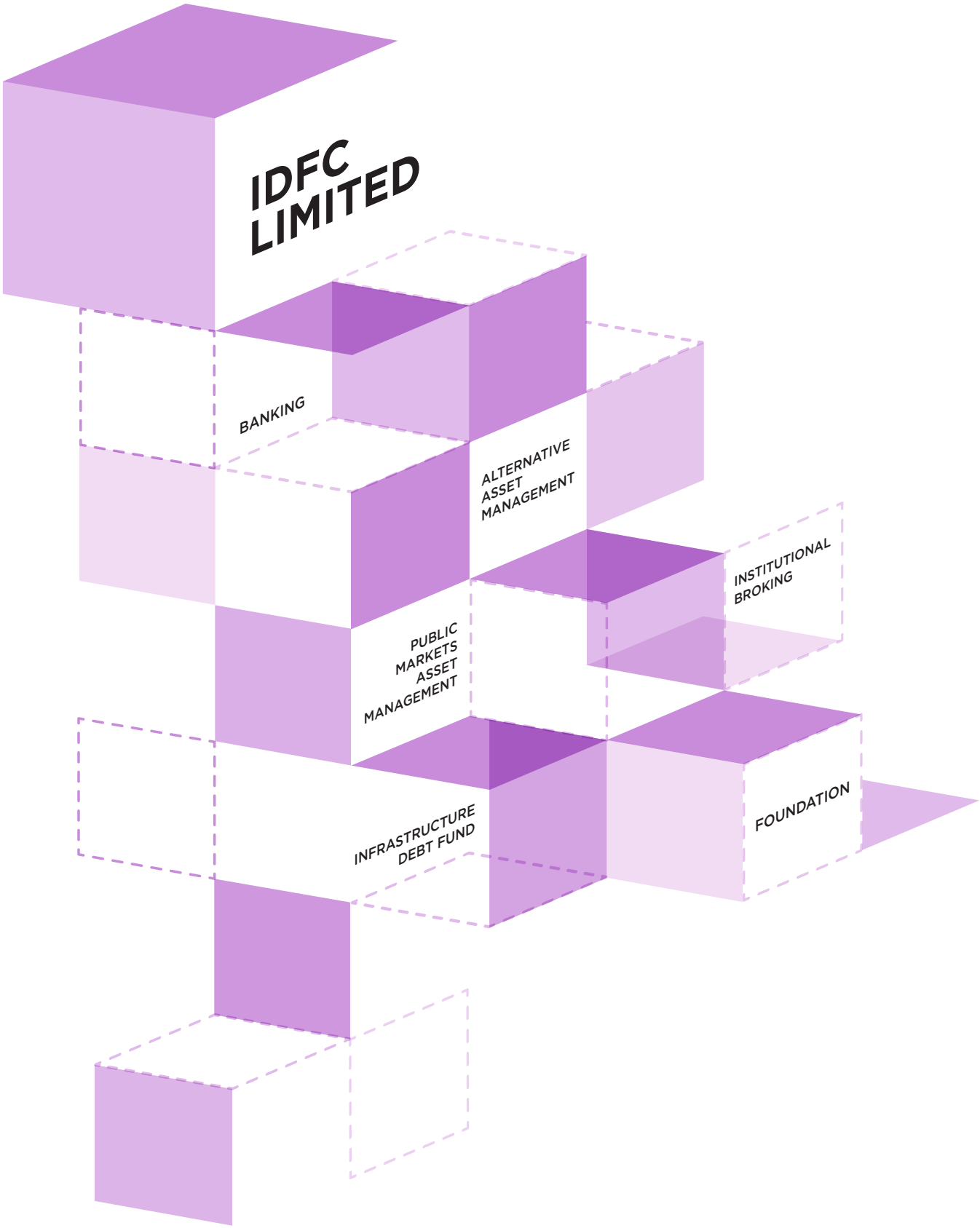
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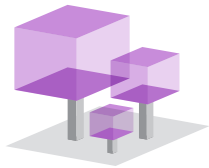
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IDFC LIMITED
BANKING
ALTERNATIVE ASSET MANAGEMENT
INSTITUTIONAL BROKING
PUBLIC MARKETS ASSET MANAGEMENT
INFRASTRUCTURE DEBT FUND
FOUNDATION



SAVE PAPER,
SAVE TREES,
SAVE THE EARTH.

300,000+ Shareholders have already asked for paperless annual reports. Join them and save paper. Just drop us an e-mail.

The Companies Act, 2013, as a part of Green Initiative, allows companies to go for paperless compliances by sending Notice, Annual Report and other related documents by e-mail to it's Shareholders. Many of the Shareholders have registered their e-mail address and we thank them for the same. Shareholders, who have not registered their e-mail address so far, may, as a support to this initiative, register their e-mail address by sending an e-mail to **'harikumar.iyer@idfc.com'** quoting their Name, Folio No. / DP ID / Client ID and e-mail address to be registered with us for enabling us to send documents in electronic form.

Also, registering your e-mail address with us will ensure that we directly connect with you and no important communication from our side is missed by you as a Shareholder of the Company.

AWARDS & RECOGNITION

IDFC SECURITIES ANALYSTS GET RANKED IN INSTITUTIONAL INVESTOR SURVEY

- No.1 for Oil and Gas Sector
- No.3 for Power Sector
- No.3 for Media Sector
- Runner up for IT Sector
- Runner up for Pharma Sector

IDFC SECURITIES ACHIEVED THOMPSON REUTERS STARMINE ANALYST AWARDS 2015

- No.1 for Pharmaceuticals
- No.1 for Construction & Materials
- No.2 for Media Sector
- No.3 for Utilities Sector

IDFC SECURITIES'S STELLAR PERFORMANCE IN ASIAMONEY 2015

- No.3 for Most Improved Brokerage
- No.1 for Best Analyst (Industrials) Team
- No.2 for Best Analyst (Technology Hardware & Equipment)

IDFC BANK AWARDED 'INDIA BOND HOUSE' 2015

- By International Financing Review Asia (IFR Asia). The award validates the strength of IDFC Bank's Debt Capital Market (DCM) business in creating landmark transactions.

IDFC BANK AWARDED 'BEST HR & TALENT PRACTICES'

Among private sector banks by the Banking Frontiers magazine, at its Inspiring Workplaces 2015 event.

IDFC BANK'S MICRO ATM AWARDED 'NETAPP INNOVATION AWARD 2016'

For its innovative concept of Micro ATM, which is set to transform rural banking.

IDFC BANK'S INTERNET BANKING PLATFORM—BXP AWARDED FOR PRODUCT INNOVATION

- By Global Finance magazine in The Innovators 2016 Awards. The only Indian bank to be honoured with the award this year

CHAIRMAN'S STATEMENT



The macroeconomic environment during FY16 showed signs of stability helped by low global crude prices, a comfortable current account deficit and a manageable fiscal deficit. The Government maintained its fiscal consolidation path with a fiscal deficit target of 3.5 percent of GDP for FY17. Further monetary policy easing will depend on various factors, domestic and international, but inflation and monsoons will play an important role in this regard. The Government is now two years into its tenure and has steadily been taking steps to catalyse a more sustained revival of the growth cycle.

The underlying theme of the Union Budget presented in February 2016 was 'Transform India' with emphasis on increasing public investments in rural India and in social and physical infrastructure. Public investment in agriculture and irrigation has been increased from ₹ 25,988 crore in FY16 to ₹ 54,212 crore in FY17. This will go a long way in improving productivity of the drought prone farming sector. Government investment in infrastructure and energy is likely to go up to ₹ 246,246 crore in FY17 from ₹ 180,610 crore in FY16. The increase is led by investments in roads and railways which will bring down logistics costs and time in transporting goods. Apart from this, the Government will invest ₹ 25,000 crore during the year to recapitalize PSU banks. In order to increase productivity of human capital, the Government has made significant allocations for welfare schemes for women and children. The above allocations along with an emphasis on improving productivity of job seekers through skill training of youth and a much better business climate in the form of focus on ease of doing business, will be the key drivers for improving the country's growth and investment outlook.

Fiscal 2016 (FY16) was a historic year in our journey as a financial institution which saw the establishment of IDFC Bank Limited (**"IDFC Bank"**) on October 1, 2015. The Reserve

Bank of India (**"RBI"**) granted a universal banking license to us on July 23, 2015 and we demerged all assets and liabilities of our lending business to IDFC Bank. IDFC Bank was formally inaugurated by the Hon'ble Prime Minister, Shri Narendra Modi, on October 19, 2015. At the formal inauguration in New Delhi, the Hon'ble Finance Minister, Shri Arun Jaitley and the Hon'ble Minister of State for Finance, Shri Jayant Sinha, were also present.

Our shareholders, as per the scheme of demerger approved by the Hon'ble High Court of Madras, received one share of IDFC Bank for every share owned of IDFC Limited. Post demerger our portfolio of businesses include 53% stake in IDFC Bank, 75% stake in IDFC Asset Management Company Limited, 100% stake in IDFC Securities Limited, 100% stake in IDFC Alternatives Limited and 100% stake in IDFC Infrastructure Debt Fund Limited (at present, 81.5%).

The lending business that was demerged into the bank was adequately ring-fenced from known asset quality issues by making adequate provisions prior to demerger. In keeping with our conservative approach, we also decided to recognize interest income on our stressed asset book on a cash basis as against accrual accounting. A dedicated team within the bank is focused on finding resolution for these assets.

All our businesses are doing well, are profitable and well poised for growth.

The asset quality problems faced by banks and financial institutions are largely due to issues in the infrastructure and steel sectors. The RBI has been proactive during the past year in trying to get banks to clean up their balance sheets. A concurrent audit of banks (the AQR or Asset Quality Review) gave each bank a list of accounts which had to be classified as non-performing loans by FY16. We were proactive and amongst the first to recognize asset quality issues in the infrastructure sectors and were therefore not asked by the RBI to recognize any incremental assets as NPAs. Schemes such as the Strategic Debt Restructuring are also being used to resolve issues. To improve the efficiency of state-owned banks, the Government laid down a long-term capitalization plan under the Indradhanush scheme under which public sector banks would get capital infusion of ₹ 70,000 crore over four years. However, given the level of stressed assets in the system and Basel III requirements, banks would have to find additional means to recapitalize their balance sheets.

The flow of risk capital for new infrastructure development has all but dried up in the private sector. Given the reluctance of the private sector to take up large greenfield investments, there has been a push to increase Government spending in infrastructure sectors such as roads and railways. The fuel issues related to the power sector largely remain. However, supply of coal by Coal India to the power sector grew by 6.7 percent in FY16 over the previous year. Coal imports declined 7 percent year on year while import of non-coking coal declined 15 percent. The captive coal blocks allocated and auctioned last year are yet to meaningfully contribute to production. Overall Plant Load Factor (**"PLF"**) of gas based plants in the country continued to be low at 22.5 percent in FY16. The Uday scheme announced by the Ministry of Power aspires to turnaround the distribution companies and make them financially viable by:

a. reducing interest cost of DISCOMs,
b. improving operational efficiencies of DISCOMs,
c. lowering the cost of power and
d. enforcing financial discipline on DISCOMs through state finances.

We are committed to delivering value to all our stakeholders with the highest standards of governance.

Fifteen states have given in-principle approval to the Uday scheme and ten state DISCOMs have signed the respective MoUs. In the road sector, the Government came up with several policy measures to revive participation from private developers. NHAI introduced a hybrid annuity model which requires lower upfront equity funding by developers.

IDFC Bank commenced business on October 1, 2015. Our Bank comprises three distinct businesses i.e. Commercial and Wholesale Banking, Bharat Banking and Consumer Banking. Our strategy and efforts will be to create a mass retail bank in 5 years with all the three businesses being well established. In FY16, funded credit and proportion of non-funded credit grew well. We had 60 branches in all. Of these 45 are Bharat Bank branches—35 in Madhya Pradesh and 10 in Karnataka. Our Consumer Bank has 11 branches located in 5 cities i.e. Mumbai, Delhi, Bengaluru, Chennai and Ahmedabad. Our Commercial and Wholesale Bank has 7 branches. Our bank has rolled-out 11 ATMs and 33 micro-ATMs. Our micro-ATMs are connected to the Aadhar network and serve multiple purposes including opening savings accounts in minutes. Our Bank in FY16 had close to 16,550 customers. Of these, Bharat Banking customers are over 10,000; Consumer Bank customers are close to 6,000 and Commercial and Wholesale bank customers are close to 550. While these are early days in the build out of the bank, progress so far across businesses has been encouraging. Our bank is investing in technology and re-engineering processes to ensure that customer experience is truly differentiated in terms of simplicity and transparency.

In FY16, the balance sheet of our Bank was around ₹ 74,000 crore and annualized net profits were around ₹ 800 crore.

Our mutual fund is ranked 9th in the industry. Of late, the top 10 fund houses in the industry have been consolidating their market share and quite a few global fund houses have closed their India operations. The Systematic Investment Plan route is mainly driving inflows into equity funds and digital transactions are gaining acceptance. We have established our reputation as a knowledge based, ethical fund house with a focus on investor interest. We are focused on profitable growth by improving fund performance, filling product gaps and broadening our distribution. In FY16, we delivered a strong performance. Our average AUM increased by 15% to ₹ 54,500 crore and net profits increased by 32% from ₹ 83 crore in FY15 to ₹ 110 crore in FY16.

The performance of the Indian alternative asset management industry has been disappointing in terms of exits and returns for investors. Notwithstanding the poor industry performance, relatively speaking, our funds have done well. We need to complement our existing funds with new products and also deepen existing verticals. In alternatives, our AUMs are over ₹ 16,000 crore in 7 funds across 3 asset classes in infrastructure, private equity and real estate. We are in conversations with investors domestically and internationally to raise new funds in private equity and real estate. In FY16, net profit of our alternatives business was ₹ 10 crore.

In our securities business, notwithstanding the declining commission pool and other structural issues faced by the broking industry, we have done well. We have strengthened our institutional sales and research capabilities to better service FII and domestic institutional investors. The quality of our research is well acknowledged. Our research analysts have been recognized for their expertise by Institutional Investor, Asiamoney and Starmine through various awards. We have executed several IPOs and QIPs during the year and the pipeline of capital market transactions continues to be strong. In FY16 our securities business delivered net profits of ₹ 15 crore.

In FY16, our Infrastructure Debt Fund (**"IDF"**) business was established and in the second half of FY16 gained momentum. The RBI has broadened the mandate for IDFs to include all operating infrastructure assets. Our IDF, which is under the NBFC construct, is a growth business and we are confident that over the next few years will gain significant momentum. This momentum could further accelerate once private sector investments in the country improve. The performance of our IDF in FY16 was strong. As on March 31, 2016, it had 23 assets totalling ₹1,202 crore. The portfolio is well diversified across renewables, IT SEZs, roads, education and healthcare. In FY16 net profits from this business were ₹37 crore. This business has significant synergies with our Bank. Banks are incentivized to fund eligible infrastructure assets through issuance of long term bonds for which there are no regulatory costs and IDFs are tax free entities. Our Bank and our IDF can form a strong consortium to provide cost effective assistance to eligible infrastructure assets.

To conclude, all our businesses are doing well, are profitable and well poised for growth. In the coming years, our Bank will transition to a mass retail bank with technology driving simplicity and transparency as a well-established theme for our customers across products and offerings. We also expect growth in assets under IDF and higher AUMs under our alternatives and mutual fund business. In our securities business, we will expand our research coverage and sales foot-print to better service our institutional clients and will be amongst the more significant domestic franchises in the country. We are committed to delivering value to all our stakeholders with the highest standards of governance. I wish to sincerely thank our shareholders and employees for their continued support.



Vinod Rai
Non-executive Independent Chairman



COMPANY INFORMATION

BOARD OF DIRECTORS

MR. VINOD RAI
Non-executive Independent Chairman
(w.e.f. October 31, 2015)

DR. RAJIV B. LALL
Executive Chairman
(Till September 30, 2015)

MRS. SNEHLATA SHRIVASTAVA
Nominee-Government of India

MR. CHINTAMANI BHAGAT
Nominee-Domestic & Foreign Institutional Shareholders
(w.e.f. October 31, 2015)

MR. JOSEPH DOMINIC SILVA
Nominee-Domestic & Foreign Institutional Shareholders
(Till October 31, 2015)

LATE MR. S. H. KHAN
Independent Director
(Till August 10, 2015)

MR. S. S. KOHLI
Independent Director

MR. GAUTAM KAJI
Independent Director

MR. DONALD PECK
Independent Director

DR. OMKAR GOSWAMI
Independent Director
(Till August 6, 2015)

MS. MARIANNE ØKLAND
Independent Director

MR. VIKRAM LIMAYE
Managing Director & CEO

OFFICES

REGISTERED OFFICE
CHENNAI
KRM Tower, 8th Floor,
No. 1 Harrington Road, Chetpet,
Chennai 600 031, Tamil Nadu, India.
TEL +91 44 4564 4000
FAX +91 44 4564 4022

CORPORATE OFFICE
MUMBAI
Naman Chambers, C-32, G-Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra, India.
TEL +91 22 4222 2000
FAX +91 22 2654 0354

OTHER OFFICES
NEW DELHI
The Capital Court, 2nd Floor,
Olof Palme Marg, Munirka,
New Delhi 110 067, India.
TEL +91 11 4331 1000
FAX +91 11 2671 3359

CORPORATE INFORMATION

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www.idfc.com
info@idfc.com

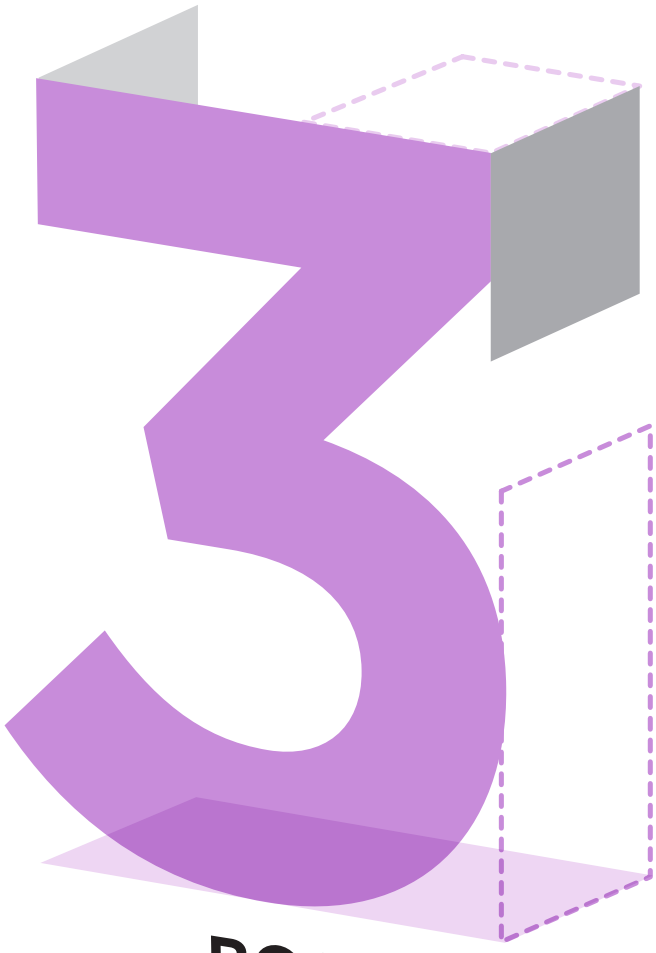
COMPANY SECRETARY
Mr. Ketan S. Kulkarni

SOLICITORS & ADVOCATES
Shardul Amarchand Mangaldas & Co.
AZB & Partners
Wadia Ghandy & Co.

PRINCIPAL BANKER
IDFC Bank Limited

STATUTORY AUDITORS
Deloitte Haskins & Sells LLP
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT
Karvy Computershare Private Limited
(Unit: IDFC Limited)
Karvy Selenium Tower B,
Plot No. 31 & 32 Gachibowli,
Financial District,
Nanakramguda, Serilingampally
Hyderabad 500 032
Tel: +91 40 67162222
Fax: +91 40 23420814
E-mail: einward.ris@karvy.com



BOARD'S REPORT

Dear Members,

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

RESTRUCTURING

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

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

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

OPERATIONS REVIEW AND FINANCIAL PERFORMANCE

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

01 SUBSIDIARY COMPANIES

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

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

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

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

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

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

Balance Sheet size reduced from ₹ 86,520 crore as at March 31, 2015 to ₹ 9,620 crore as at March 31, 2016 on account of transfer of all assets and liabilities pertaining to Financing Undertaking to IDFC Bank. Profit from continuing operations was ₹ 141.69 crore for FY16 as compared to ₹ 66.63 crore for FY15. Loss from discontinuing operations (after exceptional item – refer note 28 in Standalone Financial Statements) was ₹ 1,969.48 crore for FY16 as compared to profit of ₹ 2,093.99 crore in FY15. As a result, the net loss for the year was ₹ 1,162.14 crore as compared to profit of ₹ 1,685.49 crore in previous year.

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

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

DIVIDEND

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

SUBSIDIARY COMPANIES

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

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

1. Transfer of subsidiaries from IDFC to IDFC FHCL

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

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

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

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

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

4. Preferential allotment in IDFC Infra Debt Fund Limited

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

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

JOINT VENTURES

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

- Delhi Integrated Multi-Modal Transit System Limited (**"DIMTS"**)
- Infrastructure Development Corporation (Karnataka) Limited (**"iDeCK"**)
- Uttarakhand Infrastructure Development Company Limited (**"UDeC"**)
- Rail Infrastructure Development Company (Karnataka) Limited (Joint Venture of iDeCK)

ASSOCIATES

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

SHARE CAPITAL UPDATE

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

EMPLOYEE STOCK OPTION SCHEME

Pursuant to the resolution passed by the Members at the AGM held on August 2, 2006, IDFC had introduced Employee Stock Option Scheme 2007 (**"the ESOS Scheme"**) to enable the employees of IDFC and its subsidiaries to participate in the future growth and financial success of the Company.

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

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

Further, during the year, there has been no material change in the IDFC ESOP Scheme and the said scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.

The disclosure requirements under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, for the aforesaid ESOP Scheme, in respect of the year ended March 31, 2016, is disclosed on the Company's website - www.idfc.com.

MANAGEMENT DISCUSSION & ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

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

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

FOREIGN EXCHANGE

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

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

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

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

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

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

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

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

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

Managing Director & CEO at the ensuing AGM.

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

DECLARATION OF INDEPENDENCE

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

BOARD AND ITS COMMITTEES

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

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

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

BOARD EVALUATION

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

REMUNERATION POLICY

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

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

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

SPECIAL BUSINESS

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

- **a.** Appointment of Mr. Gautam Kaji (DIN: 02333127) as ID;
- **b.** Appointment of Mr. Chintamani Bhagat (DIN: 07282200) as a Nominee Director;
- **c.** Reappointment of Mr. Vikram Limaye (DIN: 00488534) as Managing Director & CEO;
- **d.** Reappointment of Mr. Donald Peck (DIN: 00140734) as ID; and
- **e.** Approval of the Borrowing limits of the Company, including by way of issue of non-convertible securities on private placement basis.

AUDITORS

STATUTORY AUDITORS

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

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

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

SECRETARIAL AUDIT

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

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

RELATED PARTY TRANSACTIONS

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

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

INTERNAL CONTROL SYSTEMS

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

RISK MANAGEMENT

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

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

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

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

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

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

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

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

ANTI SEXUAL HARASSMENT POLICY

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

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

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

EXTRACT OF ANNUAL RETURN

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

CORPORATE SOCIAL RESPONSIBILITY

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

i. Mr. Vikram Limaye (DIN: 00488534)—Chairperson

ii. Mr. S. S. Kohli (DIN: 00169907)

iii. Mr. Donald Peck (DIN: 00140734)

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

GREEN INITIATIVE

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

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

ACKNOWLEDGEMENTS

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

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

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

FOR AND ON BEHALF OF THE BOARD

Vinod Rai
Non-executive Independent Chairman

Mumbai,
June 25, 2016

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 THE SUBSIDIARY COMPANIES	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES
1	IDFC Alternatives Limited	0.22	309.98	359.54	49.34
	(Previous Year)	0.22	295.36	500.71	205.13
2	IDFC AMC Trustee Company Limited	0.05	0.05	0.14	0.04
	(Previous Year)	0.05	0.05	0.11	0.02
3	IDFC Asset Management Company Limited	2.68	123.45	278.33	152.20
	(Previous Year)	2.68	85.53	223.92	135.71
4	IDFC Capital (Singapore) Pte. Ltd.*	246.22	(43.57)	203.00	0.35
	(Previous Year)	246.22	(51.14)	195.40	0.32
5	IDFC Capital (USA) Inc.*	4.62	1.65	6.66	0.39
	(Previous Year)	4.62	1.12	6.04	0.30
6	IDFC Finance Limited	21.00	2.42	23.44	0.03
	(Previous Year)	21.00	14.51	35.53	0.02
7	IDFC Foundation (unaudited)	13.00	4.63	96.17	78.54
	(Previous Year)	13.00	3.42	82.97	66.55
8	IDFC Investment Advisors Limited	-	-	-	-
	(Previous Year)	10.00	26.23	39.06	2.83
9	IDFC Investment Managers (Mauritius) Limited*	2.51	(0.75)	1.82	0.07
	(Previous Year)	0.85	(0.55)	0.36	0.06
10	IDFC Projects Limited	34.05	(88.92)	109.70	164.57
	(Previous Year)	34.05	(53.07)	78.66	97.68
11	IDFC Securities Limited	14.14	120.53	170.31	35.64
	(Previous Year)	14.14	105.68	326.94	207.12

₹ IN CRORE

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

PART A **SUBSIDIARIES** (CONTD.)

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

PART B **ASSOCIATES AND JOINT VENTURES**

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

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

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

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

₹ IN CRORE

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

Notes:

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

*Exchange Rate:
Closing Rate: 1 USD = ₹ 66.33
Average Rate: 1 USD = ₹ 65.69
Figures of ₹ 50,000 or less have been denoted by ß.
Notes forming part of Consolidated Financial Statements

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

VINOD RAI
Non-executive Chairman

BIPIN GEMANI
Chief Financial Officer

VIKRAM LIMAYE
Managing Director & CEO

KETAN S. KULKARNI
Company Secretary

Mumbai | April 29, 2016

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:

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

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

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

ANNEXURE 3

SECRETARIAL AUDIT REPORT

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

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

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

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

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

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the Companies Act, 1956 (to the extent applicable to the Company);

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

vi. Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and other relevant guidelines and circulars issued by the Reserve Bank of India from time to time and to the extent of capital adequacy norms and periodic reporting's done by the Company.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India related to meetings and minutes;

ii. Listing Agreement entered into by the Company with the Stock Exchanges.

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

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

i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

of Directors during the period under review.

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

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

1. Obtained consent of the Board of Directors to issue Non-Convertible Securities aggregating up to ₹ 80,000 crores on Private Placement basis.
2. Obtained approval from the members authorizing the Board of Directors to borrow monies aggregating up to ₹ 80,000 crores, by issuance of Non-Convertible Securities on Private Placement basis under one or more shelf disclosure documents.
3. Issued and allotted 70,420 Bonds in multiple tranches of different series of an issue price aggregating ₹ 68,589,995,350/-
4. Demerged its Financing Undertaking into IDFC Bank Limited pursuant to a Scheme of Arrangement between the Company and IDFC Bank Limited and their respective shareholders and creditors as approved by the Hon'ble High Court, Madras vide its order dated June 25, 2015.

FOR BNP & ASSOCIATES
Company Secretaries
[Firm Regn. No. P2014MH037400]

Keyoor Bakshi
Partner
FCS 1844 / CP No.2720

Mumbai
April 29, 2016

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

To,
The Members
IDFC Limited

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

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

FOR BNP & ASSOCIATES
Company Secretaries
[Firm Regn. No. P2014MH037400]

Keyoor Bakshi
Partner
FCS 1844 / CP No.2720

Mumbai
April 29, 2016

ANNEXURE 4

FORM NO. MGT. 9 EXTRACT OF ANNUAL RETURN

For the financial year ended March 31, 2016

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

01 REGISTRATION AND OTHER DETAILS

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

02 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

03 PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

[1] Associate of IDFC Projects Limited.

[2] Joint Venture of IDFC Foundation (a Company within the meaning of Section 8 of the Act)

[3] Joint Venture of Infrastructure Development Corporation (Karnataka) Limited

04 SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

I CATEGORY-WISE SHARE HOLDING

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

II SHAREHOLDING OF PROMOTERS

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

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

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

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

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

Top ten Shareholders of the Company as on March 31, 2016 have been considered for the above disclosure.
*The shares of the Company are traded on daily basis and hence, the date wise increase / decrease in shareholding is not indicated.

V SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

[1] Resigned w.e.f. September 30, 2015
[2] Resigned w.e.f. October 31, 2015
[3] Appointed w.e.f. October 31, 2015

05 INDEBTEDNESS

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

₹ IN CRORE

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

06 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

AMOUNT IN ₹

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

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

1. Dr. Rajiv B. Lall resigned w.e.f. September 30, 2015.
2. In May 2016, Dr. Lall was awarded a Performance Bonus of ₹ 2 crore from IDFC Bank (subject to approval from RBI) for his performance during FY16 (Previous Year: a sum of ₹ 2.5 crore was paid while he was on the payroll of IDFC Limited, for his Performance during FY15).
3. In May 2016, Mr. Limaye was awarded a Performance Bonus of ₹ 1.75 crore for his performance during FY16 (Previous Year: a sum of ₹ 2.15 crore was paid for his Performance during FY15).
4. In FY16 Dr. Lall's combined remuneration on accrual basis (from IDFC and IDFC Bank) was ₹ 5.7 crore (Previous Year - ₹ 5.4 crore) and Mr. Limaye's total remuneration on accrual basis was ₹ 4.8 crore (Previous Year - ₹ 4.7 crore).
5. The remuneration paid to the Executive Directors is within the limits prescribed under the Companies Act, 2013.
6. Details of Stock Options granted during the year to Dr. Lall & Mr. Limaye are provided in table no 05 of Corporate Governance Report which forms part of this report.

B REMUNERATION TO OTHER DIRECTORS

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

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

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

AMOUNT IN ₹

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

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

AMOUNT IN ₹

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

07 PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES

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

ANNEXURE 5

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

₹ IN CRORE

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

IMPLEMENTING AGENCY
IDFC FOUNDATION*

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

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

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

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

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

The object of the CSR activities would seek to:

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

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

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

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

2 The Composition of the CSR Committee.
Mr. Vikram Limaye - Chairperson
Mr. S. S. Kohli - Member
Mr. Donald Peck - Member

3 Average net profit of the company for last three financial years
₹ 2,339.65 crore

4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
₹ 46.79 crore
₹ 23.40 crore for half year (See note below)

5 Details of CSR spent during the financial year.
₹ 23.40 crore

a. Total amount to be spent for the financial year;
₹ 23.40 crore
b. Amount unspent, if any;
Nil

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

4

MANAGEMENT DISCUSSION & ANALYSIS

A YEAR OF TRANSFORMATION

IDFC was India's first specialized infrastructure financing institution since its inception in 1997.

← Starting with a specific mandate to be a catalyst to lead the private sector to infrastructure development and build the nation, IDFC Limited (**"IDFC"**) successfully led private capital flows into commercially viable infrastructure projects.

1

The Hon'ble High Court of Madras vide its order dated June 25, 2015 approved the Scheme of Arrangement between IDFC Limited (transferor) and IDFC Bank Limited (transferee).

↑

On fulfillment of all conditions specified under the Scheme and receipt of final universal banking license by IDFC Bank Limited from the Reserve Bank of India (**"RBI"**), IDFC completed the demerger of its Financing Undertaking into IDFC Bank Limited (**"IDFC Bank"**), which began operations on October 1, 2015.

In consideration, the shareholders of IDFC Limited, on the record date as determined by the Board were issued equity shares of IDFC Bank in the ratio of one equity share of IDFC Bank for every one equity share of IDFC held by them. IDFC, through its wholly owned subsidiary, IDFC Financial Holding Company Limited (**"IDFC FHCL"**), has invested ₹ 7,030.07 crore in IDFC Bank resulting in effective holding of 53% in IDFC Bank. In addition, IDFC FHCL also holds investments in all other regulated subsidiaries. i.e. IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC Securities Limited, IDFC Infra Debt Fund Limited, IDFC AMC Trustee Company Limited and IDFC Trustee Company Limited.

2 *In the first six months of FY16, IDFC operated as an NBFC—Infrastructure Finance Company;*

← its businesses included Project Finance, Fixed Income & Treasury, Public Markets Asset Management carried through its subsidiary IDFC Asset Management Company Limited, Investment Banking & Broking carried through its subsidiary IDFC Securities Limited, Infrastructure Debt Fund carried through its subsidiary IDFC Infra Debt Fund Limited and Alternative Asset Management carried through IDFC Alternatives Limited.

3 *In the second six months of FY16, IDFC operated as investment NBFC Company*

← its businesses included Banking business carried through its subsidiary IDFC Bank Limited, Public Markets Asset Management carried through its subsidiary IDFC Asset Management Company Limited, Institutional Broking carried through its subsidiary IDFC Securities Limited, Infrastructure Debt Fund carried through its subsidiary IDFC Infra Debt Fund Limited and Alternative Asset Management carried through IDFC Alternatives Limited.

4 **IDFC Bank started operations on October 1, 2015.**

↑ The bank was formally inaugurated by Hon'ble Prime Minister Shri Narendra Modi at a ceremony in New Delhi on October 19, 2015. Union Minister of Finance, Corporate Affairs, and Information & Broadcasting, Shri Arun Jaitley and Minister of State for Finance Shri Jayant Sinha, were also present at the launch.

5 *IDFC Bank listed on BSE & NSE on November 6, 2015.*

MACROECONOMIC ENVIRONMENT

Even as global economic conditions remained fragile and uncertain; India's macro economy exhibited stability, helped by the sharp declines in global oil and commodity prices. Growth-inflation dynamics showed an improvement while Current Account and Fiscal Deficits remained contained. For FY17, the Government also maintained its fiscal consolidation path by announcing a target of 3.5% of FD / GDP, while keeping up its focus of providing a push to the infrastructure spending—mostly the roads and the railway sectors. The investment push from the Government remains relevant as there are limited hopes of any immediate turnaround in the investment activity of the private sector. Despite weak global growth conditions, India is estimated to have grown at 7.6% in FY16, the highest growth registered by any country in FY16.

GROWTH—INFLATION DYNAMICS GET BETTER

Central Statistical Organisation (**"CSO"**) has put the advance estimate for real GDP growth in FY16 at 7.6%, higher than 7.2% in FY15. However, in nominal terms GDP decelerated to 8.6% in FY16 from 10.8% in FY15 due to deflationary pressures. On the production side, growth in FY16 was led by agriculture (Gross Value Added in agriculture increased by 1.1% while for industry it increased by 7.3%). Rural demand remained poor as rural wage growth was low, agricultural income suffered due to two consecutive years of poor monsoon and minimum support prices (**"MSP"**) increases were muted. For the services sector, GVA growth decelerated to 9.2% in FY16 compared to 10.3% in FY15 with lower government expenditures and lower growth in trade, hotels, transport, communication and financial, real estate and business services segments.

In April–February 2015–16 fiscal, industrial production was flat with manufacturing growth averaging at 2.5% (2.3% in same period last year). The drag came from lacklustre investment demand from the private sector, reflected by capital goods production continuing to exhibit negative growth of (-)0.9%. Further, a modest 3.6% growth in consumer goods production in April-February 2015–16 reflected sluggish consumption demand, expectedly from rural India which was affected by low income growth. Notably, consumer durables production bucked the trend with a relatively robust growth of 12.3% in the April-February period, reflecting more robust demand in urban markets, fuelled in part by rapid growth in consumer debt. Personal loans from the banking sector grew on average by 17% in the period under review. This was in sharp contrast with bank lending to industry which grew by a meagre 5.7% in April–February 2015–16.

Headline Consumer Price Index (**"CPI"**) inflation remained more or less contained in FY16, averaging at 4.9% (6% in FY15). Favourable base effects even led to a drop in headline CPI inflation in July and August 2015 to sub 4% levels. As the base effect waned, CPI inflation rose till January 2016 before easing off again to end in March 2016 at 4.8%. Even as headline CPI inflation fell, inflation persisted on the services side such as in areas of "Household goods and services", "Healthcare", "Education" and "Recreation and Amusement". Core CPI inflation averaged at 4.5% in FY16 (5.6% in FY15) with the drop coming from

Despite weak global growth conditions, India is estimated to have grown at 7.6% in FY16, the highest growth registered by any country in 2016.

01 IDFC CONSOLIDATED FINANCIALS

₹ IN CRORE

PARTICULARS	FY16	FY15	% CHANGE
OPERATING INCOME	**3,248**	**4,064**	**-20%**
NET INTEREST INCOME (NII)	**2,099**	**2,633**	**-20%**
NON-INTEREST INCOME	**1,133**	**1,323**	**-14%**
Principal Gains and Carry	267	556	-52%
Asset Management Fees	449	440	2%
Investment Banking & Broking	72	80	-10%
Fixed Income (Trading Profits & Fees)	239	179	34%
Loan Related Fees	106	68	56%
Other Income	**16**	**108**	**-85%**
OPERATING EXPENSES	**1,242**	**704**	**76%**
HR	644	388	66%
Non-HR	598	316	89%
PRE-PROV OP PROFIT (PPOP)	**2,006**	**3,360**	**-40%**
Provisions	**327**	**1,014**	**-68%**
Profit before Tax and before Exceptional Items	**1,679**	**2,346**	**-28%**
Exceptional item	(2,639)	-	
Tax	(368)	596	161%
Minority Interest, Associated Companies PAT	343	43	698%
PROFIT AFTER TAX	**(935)**	**1,707**	

"Transport and Communication" that incorporates reductions in petrol and diesel prices. Food inflation witnessed some swings in FY16 with volatility in price of pulses and vegetables. Headline Wholesale Price Index (**"WPI"**) inflation remained in the negative zone through FY16, averaging at (-)2.5% (2.1% in FY15).

Principally, the drag came from the "Fuel and Power" group where inflation averaged at (-)11.5% compared to (-)0.6% average in FY15.

EXTERNAL ACCOUNTS AND CURRENCY DYNAMICS

Current Account Deficit (**"CAD"**) remained comfortable as a significant drop in global crude oil prices helped contract imports. From 4.7% in FY13, CAD /GDP fell to 1.7% in FY14 and further to 1.4% in FY15. In the April-December period of FY16, CAD was comfortable at $ 22 billion (1.4% of GDP) compared to $ 26.2 billion (1.7% of GDP in the corresponding period of FY15). While oil imports had totalled $ 117 billion in the nine month period ended December of FY15, the same was at $ 71.7 billion in the same period in FY16.

However, CAD correction was muted by a fall in the exports, reflecting a general slump in global trade. On a Balance of Payment (**"BoP"**) basis, exports totalled $ 245 billion in April–December period of FY15 compared to $ 200.5 billion in the same period in FY16. Accretion of invisible receipts in the first nine months of FY16 dropped to $ 83.6 billion against $ 87.2 billion in the same period of previous fiscal. Even as CAD was comfortable, the BoP position deteriorated in the April–December period of FY16. This was primarily due to significantly weaker capital flows at US$ 37.8 billion in the first nine months of FY16 compared to US$ 59.3 billion in the same period last year, with the drag mainly coming from much lower Foreign Portfolio flows.

Broadly, USD / INR maintained a depreciating trend through FY16 on account of fears of US monetary policy normalisation and other global risk-aversion sentiments (such as devaluation of the Chinese RMB and a large sell-off in the Chinese equity markets). Domestically, weaker export growth and also lower portfolio flows impacted the USD / INR trends. USD / INR was at around 62.19 in the beginning of the year, traded at its weakest at 68.71 closer to end—February 2016, before finally ending the FY16 at 66.25. Thus, over the year, USD / INR witnessed a depreciation of around 6.5%.

FINANCIAL PERFORMANCE—IDFC CONSOLIDATED FINANCIALS

Table 01 gives the consolidated profit and loss account.

Net Interest Income reduced from ₹ 2,633 crore in FY15 to ₹ 2,099 crore in FY16 on account of reduction in loan book from ₹ 54,746 crore in FY15

to ₹ 50,869 crore in FY16 and also on account of not recognising interest income on identified advances, unless realised.

Non-Interest Income reduced on account of lower principal gains and carry in FY16 at ₹ 267 crore as compared to ₹ 556 crore in FY15. This was partly compensated by increase in treasury trading gains and higher loan related fees.

As a result, Profit Before Tax and before exceptional item was lower by 28% at ₹ 1,679 crore in FY16 as compared to ₹ 2,346 crore in FY15.

Minority Interest was higher at ₹ 343 crore in FY16 as compared to ₹ 43 crore in FY15 as 47% of IDFC Bank equity is now directly held by public shareholders upon demerger of Financing Undertaking.

Exceptional Item: The Company with approval from its Board and RBI has created one time provision of ₹ 2,500 crore on identified stressed advances in addition to non-performing assets. These include advances that have been restructured and a conservative estimate of other stressed infrastructure advances. The provisions made against such advances are in excess of minimum regulatory provisions required. This one time provision along with reversal of unrealized interest amounting to ₹ 139 crore have been disclosed as exceptional item. The details of Consolidated Financial are given in **Table 01.**

IDFC Bank's vision is to deliver banking anytime, anywhere at scale, by using technology to relentlessly drive efficiency and set new standards of customer experience and convenience.

DEMERGER OF FINANCING UNDERTAKING

Before demerger, IDFC was regulated by the RBI as an Infrastructure Finance Company - Non Banking Finance Company (**"IFC-NBFC"**) engaged in financing infrastructure projects in sectors like energy, telecommunication, transportation, commercial and industrial projects including hospital, education, tourism and hotels. The Company received an In-principle approval from the RBI to set up a new private sector bank in April 2014.

Pursuant to the approval of the scheme of Arrangement under section 391-394 of the Companies Act, 1956, between IDFC and IDFC Bank and their respective Shareholders and Creditors by the Hon'ble High Court of Madras vide its order dated June 25, 2015 and on fulfillment of all conditions specified under the scheme and final Banking License, the Financing Undertaking was demerged into IDFC Bank on October 1, 2015.

The Financing Undertaking as defined under the Scheme of Arrangement included lending and financing business undertaking of IDFC including project finance (fund based and non-fund based), fixed income and treasury. Financing Undertaking comprises of all outstanding loans and deposits, borrowings, investments, current assets, sundry debtors, all debts, liabilities including contingent liabilities, licenses, approvals, tax credit, properties—movable and immovable, plant and machinery, furniture and fixtures, office equipment, software and licenses, insurance, policies, all contracts, agreements, collateral, Long Term Infrastructure Bonds, all staff and employees employed in connection with Financing Undertaking. From October 1, 2015 the company is operating as NBFC-Investment Company. Post demerger of Financing Undertaking into IDFC Bank, IDFC owns approximately 53% of IDFC Bank and the rest belongs to minority shareholders. Accordingly, the results for the year ended March 31, 2016 are strictly not comparable with corresponding previous year.

CONSOLIDATED BALANCE SHEET

Table 02 summarises IDFC's consolidated Balance Sheet as at March 31, 2016

Reduction in shareholders' funds from ₹ 17,275 crore on March 31, 2015 to ₹ 10,103 crore on March 31, 2016 is on account of (i) loss of ₹ 935 crore due to higher provisioning and (ii) Increase in minority interest from ₹ 44 crore to ₹ 6,635 crore mainly on account of demerger of Financing Undertaking in IDFC Bank resulting in 47% of Bank's equity shares directly held by public shareholders. The details of Consolidated Balance Sheet are given in **Table 02.**

IDFC BANK

Our vision for IDFC Bank is to transform it into a mass retail bank in 5 years. We will do this by delivering banking anytime, anywhere at scale by using technology to relentlessly drive efficiency and set new standards of customer experience and convenience.

The aim is to build an institution that stands the test of time, an institution that is committed to serving all stakeholders, including our customers, community, country and colleagues, not just shareholders.

IDFC Bank will be a private corporation with a public purpose. In doing so, it will focus on particularly serving rural underserved communities and the self-employed, while continuing to support the country's infrastructure sector.

The bank was formally inaugurated by Hon'ble Prime Minister Shri Narendra Modi at a ceremony in

02 IDFC'S CONSOLIDATED BALANCE SHEET

₹ IN CRORE

PARTICULARS	MARCH 31, 2016	MARCH 31, 2015
Shareholders' Funds	10,103	17,275
Minority Interest	6,635	44
Borrowings	56,503	66,252
Other Liabilities	4,382	3,498
TOTAL LIABILITIES	**77,623**	**87,069**
Gross Loans	50,869	54,746
Less: Provisions	3,968	2,319
Net Loans	46,901	52,427
Cash & Bank balances	2,947	211
Treasury	19,658	27,651
Equity	2,346	3,141
Other Assets	5,764	3,639
TOTAL ASSETS	**77,623**	**87,069**

New Delhi on October 19, 2015. Union Minister of Finance, Corporate Affairs, and Information & Broadcasting, Shri Arun Jaitley and Minister of State for Finance Shri Jayant Sinha, were also present at the launch. It started business on October 1, 2015, amid a relatively challenging business and economic environment.

Notwithstanding these tough conditions, IDFC Bank had a profitable first quarter. It listed on the National Stock Exchange and Bombay Stock Exchange within 35 days of starting operations. The listing underlined the transparency the bank intended to bring to its shareholders.

Products and services were rolled out on October 1, both on the wholesale as well as retail side, true to the concept of a universal bank. IDFC has thus successfully transitioned from being the country's leading integrated infrastructure development institution to a full-service bank.

IDFC Bank has taken on the challenge of reimagining banking in India, inspired by the sweeping changes in the industry and motivated by the unmet demands of the urban consumer and India's underserved hinterland. It has customized offerings for segments that were hitherto excluded from the banking fold, for example, professionals, self-employed, marginal farmers and the masses at the bottom of the pyramid.

IDFC Bank's key proposition is simplicity and service, made possible through digitization and innovation. It's placed huge emphasis on technology as well as customer engagement to ensure we build a bank that is intuitive and thoughtful.

Given its focus on technology, service and innovation, it is well positioned to take advantage of the trends that characterize the banking landscape today. Besides building a payment infrastructure, IDFC Bank will optimize use of data analytics on the asset side. The bank is also committed to playing a major role in expanding financial savings in the country and reaching out to new customer segments.

At the core of its offering, is end-to-end digitization, backed by state-of-the-art integrated technology systems. Human intervention and tedious procedures are thus kept to the minimal. What it means for the customer is a dramatic increase in convenience, shorter turnaround time and paperless banking. In doing so, the objective is to introduce a new way to bank.

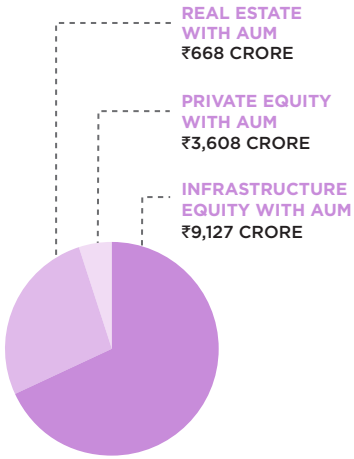
BOX A

PERFORMANCE OF ALTERNATIVE ASSET MANAGEMENT FY16

ASSETS UNDER MANAGEMENT
as on March 31, 2016

₹13,403 CRORE

This Is Split Between:



OPERATING INCOME

₹136 CRORE

PROFIT BEFORE TAX

₹22 CRORE

PROFIT AFTER TAX

₹10 CRORE

IDFC Bank's businesses are split into three parts—Commercial & Wholesale Banking, Bharat Banking and Consumer Banking.

COMMERCIAL & WHOLESALE BANKING

Large corporates are spoilt for choice. Smaller firms are still relatively under banked. True to its vision of serving all stakeholders, IDFC Bank has identified Commercial Banking as a key growth area. As the bank builds its franchise, it aims to be the 'Bank of Choice' for Commercial Banking clients.

IDFC Bank's Commercial Banking business comprises the Middle Market Group & the Small & Medium Enterprises Group.

IDFC Bank's Wholesale Banking business caters to the needs of large corporate customers.

In this space, IDFC Bank will continue to build on its core strength of serving the needs of the infrastructure sector. The aim is to now supplement our traditional term lending and project finance expertise with the full range of banking products & solutions of existing infrastructure clients. Additionally, there is now an opportunity to expand presence in non-infrastructure segments.

During the year, the Wholesale Banking business made significant strides by building on the already established reputation as a corporate bank by introducing the full range of banking solutions, backed up innovative technology.

The Bank's Treasury carries out Financial Markets business for its clients apart from managing Asset liability gaps (ALM function) and Investments of the Bank. For its clients, the Financial Markets group provides solutions to meet (a) their interest rates & foreign exchange conversion and risk hedging needs and (b) their debt capital markets financing needs. Treasury manages asset-liability mismatches and interest rate sensitivities of the Bank's portfolio by utilizing various market investments, money markets and permitted derivative products. It also ensures that the Bank meets its regulatory requirements on CRR and Statutory Liquidity Ratio ('SLR') through efficient liquidity management and sovereign bonds position management.

Another key area of opportunity was the DCM segment, where the Bank leveraged its well-established presence in bond markets to grow the DCM business. The DCM business has been credited with putting together some unique bond offering solutions which have been accepted by both our issuer clients and the wholesale bond investors' community.

BHARAT BANKING

IDFC Bank is the first universal bank in India to adopt a differentiated service strategy for catering to people in rural and semi-urban locations, through intensive use of technology. The goal of Bharat Banking is to deliver banking anywhere, anytime in a simple, 'no-nonsense' way. Its concept involves creating hub branches with an ecosystem of access points and an ambulatory sales force. This unique distribution model is intended to substantially increase financial access in India's vast hinterland.

CONSUMER BANKING

IDFC Bank has reimagined Consumer Banking with a huge emphasis on convenience and is intended to set a new standard in customer experience. It includes Personal Banking and Business Banking to cater to the needs of individuals and entrepreneurs and small businesses respectively.

The goal of the Consumer Bank is to deliver accessibility, but with fewer branches. Its key aspects include an easy-to-use digital platform, doorstep service and 'Banker on Call'. In the first phase, the Consumer Bank will concentrate on building a presence in India's top 8–15 cities.

The bank had endeavoured to focus on providing complete solutions for

various segments of customer, rather than just products. Customization is the key feature of the product suite.

Integrated technology enables the bank to obtain a better understanding of customer needs, and thereby build intuitiveness in the system. It also facilitates a multichannel experience—for a customer this means uninterrupted transacting across all touch points. These features make banking effortless and personalized, anytime and from anywhere.

The Consumer Bank launched its first branch October 1, 2015, at BKC, Mumbai. It was open to all staff and enabled the bank to intensively test all systems, processes and transaction types. Since then, the bank has established branches at key locations in Mumbai, Delhi, Bengaluru, Ahmedabad and Chennai.

ALTERNATIVE ASSET MANAGEMENT

IDFC Alternatives Limited is one of the largest multi-asset class fund managers in India active across the following three asset classes:

a. Infrastructure Equity which primarily focuses on acquiring controlling stakes in operating assets across energy, transportation, telecom and other infrastructure projects to create value through regular yields and capital appreciation.

b. Private Equity which focuses on providing growth equity capital mainly in healthcare & education, food & agri-businesses, telecom services and consumption products and services with the objective of creating value through capital appreciation.

c. Real Estate which focuses on investing in residential and commercial assets through equity and debt strategies.

IDFC Alternatives Limited mobilises funds from large global and domestic investors for investment in each of the three asset classes, and exits such investments at appropriate times to generate returns for its investors. It generates returns for IDFC through three revenue streams:

i. asset management fees,

ii. investment returns on the Company's funds that are invested as promoter contribution in each fund raised and managed by IDFC Alternatives, and

iii. IDFC's share of the 'carry' income generated from funds managed by it.

PERFORMANCE OF ALTERNATIVE ASSET MANAGEMENT, FY2016

Refer to **Box A**.

PUBLIC MARKETS ASSET MANAGEMENT

This is IDFC's mutual funds business and investment advisory business, which operates through the IDFC Asset Management Company Limited (**"IDFC AMC"**). IDFC holds 75% stake in IDFC AMC, with the balance stake of 25% plus one share being held by Natixis Global Asset Management, an international asset management group based out of France. IDFC AMC manages different mutual fund products for institutional and retail investors and income is generated through asset management fees. The focus is on investment performance and growing the AUM by offering suitable products keeping investor interest as priority and channelling retail and corporate savings into India's debt and equity markets.

PERFORMANCE OF PUBLIC MARKETS ASSET MANAGEMENT, FY2016

Refer to **Box B**.

INSTITUTIONAL EQUITIES BROKING (IDFC SECURITIES)

IDFC Securities Limited provides equity research and institutional equity broking services to leading foreign and domestic financial

BOX B

PERFORMANCE OF ASSET MANAGEMENT COMPANY FY16

ASSETS UNDER MANAGEMENT
as on March 31, 2016

₹55,624 CRORE

(Debt funds comprised 75% of AUM and Equity funds comprised 25%):

REVENUE

₹326 CRORE

PROFIT BEFORE TAX

₹163 CRORE

PROFIT AFTER TAX

₹110 CRORE

BOX C

PERFORMANCE OF INSTITUTIONAL EQUITIES BROKING FY16

TOTAL INCOME

₹87 CRORE

PROFIT BEFORE TAX

₹23 CRORE

PROFIT AFTER TAX

₹15 CRORE

institutions and funds investing in Indian equity markets. A research team of experienced and dedicated sector experts ensures the flow of stock ideas and portfolio strategies. Our coverage spans various growth sectors: Agriculture, Automotive, Consumer Goods, Technology, Financials, FMCG, Industrial, Infrastructure, IT Services, Media, Oil & Gas, Metals & Mining, Pharmaceuticals & Healthcare, Power, Real Estate, Telecom amongst others.

We are empanelled with over 1,800 entities/funds across geographies, which include major FIIs, Insurance companies, Mutual Funds, Hedge Funds, Private Equity Funds and Banks. We are valued for our knowledge-led investment strategies, superior client servicing and exceptional deal execution skills.

PERFORMANCE OF INSTITUTIONAL EQUITIES BROKING, FY16

Refer to **Box C**.

INFRASTRUCTURE DEBT FUND (IDF) NBFC

IDFC Infra Debt Fund Limited (**"IDFC IDF"**) commenced business operations in January 2015 as a new infrastructure financing NBFC as per the RBI guidelines. IDFC IDF's business involves financing operating infrastructure projects that have completed at least one-year post construction. IDF is a tax-exempt entity. In March 2016, Housing Development Finance Corporation Limited (**"HDFC"**) and SBI Life Insurance Company Limited (**"SBI Life"**) invested in IDFC IDF. As on date, total equity share capital of IDFC IDF is ₹ 540 crore, subscribed by IDFC FHCL (81.48%), HDFC (11.11%) and SBI Life (7.41%).

IDFC IDF is rated "AAA" by the credit rating agencies ICRA and CARE.

As on March 31, 2016, IDFC IDF has an asset book of ₹ 1202 crore across diversified sectors in the infrastructure space including PPP and Non PPP Projects.

IDFC IDF raises resources through issue of bonds of minimum five year maturity. IDFC IDF has been recently also allowed to raise funds through shorter tenor bonds and commercial papers from domestic market to the extent of up to 10 percent of its total outstanding borrowings.

PERFORMANCE OF INFRASTRUCTURE DEBT FUND, FY16

Refer to **Box D**.

RISK MANAGEMENT

IDFC is a holding company for its various businesses, which in turn have a robust risk management practice that enables them to book, manage and mitigate risks across various businesses. A comprehensive Enterprise Risk Management (**"ERM"**) framework has been adopted across all entities in the group and covers all three types of risks—credit, market and operational risks.

CREDIT RISK MANAGEMENT

IDFC is the holding company with no direct lending operations. The lending business is carried out by two subsidiaries viz., IDFC Bank and IDFC IDF. These entities have Credit Risk Policy and Delegation of Authority approved by their respective Boards. The lending business is done with adherence to these Board approved documents.

IDFC BANK LIMITED

IDFC Bank operates within an effective risk management framework to actively manage all the material risks faced by the bank, in a manner consistent with the Bank's risk appetite. The IDFC Bank Board (**"the Board"**) has the ultimate responsibility for the bank's risk management framework. The Board is principally responsible for approving the Bank's risk appetite, risk tolerance and related strategies and policies. To ensure the bank has a sound

system of risk management and internal controls in place, the Board has established Risk Management Committee (**"RMC"**) of the Board. The RMC assists the Board in relation to the oversight and review of the Bank's risk management principles and policies, strategies, appetite, processes and controls. The Bank's independent risk function is headed by the Chief Risk Officer (**"CRO"**). The CRO presents a risk review report, which encompasses all significant aspects of the risks in the Bank as well as the mitigating measures, to the RMC on a quarterly basis.

The bank's credit risk is controlled and governed by the Credit Risk Management Policy that is approved by the Board. The Credit Risk group has been established to independently evaluate all proposals to estimate the various risks and their appropriate pricing, as well as their mitigation. After vetting of terms and conditions and credit rating from the Credit Risk group, each proposal is considered for approval as per delegated authority as approved by the Board.

There is an independent Portfolio Analytics Unit that is responsible for execution of portfolio risk management activities including concentration risk monitoring, stress testing, early warning signal monitoring as well as supporting the Credit Risk for any portfolio / industry related data inputs.

IDFC IDF

IDFC IDF operates within a well-defined IDF-NBFC framework, which allows the Company to provide financial assistance only to operational infrastructure projects, which have completed at least one year of successful commercial operations post construction. The Company has established a robust risk management practice that enables it to book, manage and mitigate risks for its business. For Public Private Partnership (**"PPP"**) projects awarded by a Project Authority, the Company enters into a tripartite agreement with the Project Authority for ensuring compulsory buyout of entire dues of IDF in the event of termination. For PPP and non-PPP projects without a Project Authority, the Company has put in place tighter risk management controls.

The risk function is headed by a Senior Director, reporting to the Chief Executive Officer.

The risk team independently evaluates all proposals to estimate the various risks and their appropriate pricing, as well as their mitigation. After approval of terms and conditions and credit rating from the team, each proposal is considered by a Decision Board, which consists of members of senior management. Thereafter, the recommended cases are sent for final sanction to the Credit Committee, a sub-committee of the Board of Directors.

The team also monitors the performance and compliance of covenants for all project assets. Regular comprehensive reviews of all project assets are conducted. The portfolio report is reviewed by the senior management on a periodic basis.

MARKET RISK MANAGEMENT

IDFC is the holding Company with no significant market risk. Market risk governance frameworks exist in subsidiaries exposed to market risk. The Group has set up a robust Market Risk management process, which sets out the broad guidelines for managing Market Risk that the Group is exposed to. Management of market risk encompasses risk identification, measurement, setting up of limits, monitoring and control. The Market Risk management process at the Group ensures that the products that are exposed to market risk are within the risk appetite laid down by the Board. The Board approved risk appetite is monitored and reported as per the guidelines

BOX D

PERFORMANCE OF INFRASTRUCTURE DEBT FUND FY16

TOTAL INCOME

₹75 CRORE

PROFIT BEFORE TAX

₹37 CRORE

PROFIT AFTER TAX

₹37 CRORE

laid down from time to time. The market risk objective, framework and architecture along with the functions of market risk are detailed in the Board approved Policies. The Market Risk group monitors risks on account of interest rate, liquidity, currency and equity price in the Trading Book as well as Banking Book. Several models and their tools are used to support the continuous monitoring of such risks. The tools, models and underlying risk factors are reviewed periodically to enhance their effectiveness. The group also supports the Asset-Liability Management (**"ALM"**) function. The Asset Liability Management Committee (**"ALCO"**) supervises the ALM process and reviews the asset liability mismatch reports on a regular basis. These ALM reports are presented to the Board on a periodic basis.

OPERATIONAL RISK MANAGEMENT

IDFC is the holding company of IDFC group companies with no direct business operations. Operational Risk governance structure is in place in subsidiary companies as detailed below.

IDFC Bank, the largest subsidiary in the group, has put in place Board approved governance and organizational structure that specifies roles and responsibilities of employees, Business and Shared Service Units, Operational Risk Management Department and other stakeholders towards operational risk management. Committee comprising of senior management personnel namely 'Operational Risk & InfoSec Risk Management Committee' is responsible for overseeing implementation of Board approved Operational Risk Management Framework.

Other IDFC Group Operating companies viz. IDFC Alternatives, IDFC Securities, IDFC AMC, IDFC IDF and IDFC Foundation have dedicated Business Operational Risk Managers who manage their operational risks through their respective 'Business Operational Risk Committees ("BORC")'. BORCs comprising of senior management personnel from respective entities is responsible for overseeing Operational Risk Management. Individual Business Operational Risk Managers are guided by IDFC Bank's Enterprise Risk Management Department."

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 an extensive 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 to the Audit Committee of the Board.

HUMAN RESOURCES

IDFC Group's People Agenda is guided by five themes—culture, diversity, learning, sense of community and people orientation. These are the key underlying philosophies that IDFC follows in acquiring, managing and nurturing talent. We believe that putting these into play, will consolidate, reinforce and build a winning organization and motivate our people to transform for the better.

Culture tops our People Agenda

It is central to our recruitment strategy. We have used sophisticated assessment processes, psychometrics tests and third party assessments for sensitive and senior level hires, to ensure that employees are aligned with the articulated culture of IDFC. The Organization's values and external value proposition built around service is embedded in every new hire.

An organization that is truly diverse and inclusive

We believe that gender diversity at workplace brings in greater transparency and empowerment. A healthy mix of talent will inspire efficient and encouraging work practices. We are therefore, driving a lot of initiatives aimed at making the organization an attractive workplace for women.

Driving a Learning culture is a key aspect of our People Agenda

The Learning theme ensures that the entire organization is motivated to think differently. Each employee is trained to deliver a differentiated client experience through advanced and sophisticated training sessions.

Replacing process orientation with people orientation—turning the traditional mind set on its head

The entire design framework of employee facing processes and systems is designed around the thought of employee experience, how it can be improved and how an employee is delighted with the interface. This has meant a change in the mind set from what's convenient for the company to what's convenient for the employee. Routine HR processes and data analysis are being digitized, thereby enabling the HR team to focus on the qualitative aspects of its function—such as employee engagement, experience and assessment. The same philosophy will be rolled out for performance management, compensation and benefits. Every facet of the employee lifecycle is being guided by this change in design philosophy.

Building a sense of community internally

It's a theme that flows from the culture and values journey. We encourage employees to connect, collaborate and communicate—irrespective of where they are placed geographically. Regular town halls, informal team meetings and two-way interactions are encouraged on a continuous basis.

Employee Strength

IDFC had employee strength of 2,776 as on March 31, 2016 including 2,405 employees in IDFC Bank.

INFORMATION TECHNOLOGY (IT)

As IDFC transforms into a bank, the Technology team has played a pivotal role to ensure sustenance of the current infrastructure and at the same time initiate work towards becoming a bank. The technology landscape is set to change considerably given the need and the opportunity to build a digitally enabled bank. This moment provides a wonderful opportunity to merge the new age technology innovations with the age old business of banking.

Changing environment required the technology team to scale up and support as the number of employees went up considerably. From end-point devices to servers to network components; necessary enhancement were made to ensure smooth operations.

Several applications were enhanced with new features to enable businesses.

Support to IDFC Mutual Fund and securities businesses was improved considerably by our technology group aligning with the growth the businesses saw on their online, real-time critical operations.

Successful completion of surveillance audits ensured that we retained the ISO 27001 certification thereby completing about 9 years of living by this standard. Several internal and external audits were also conducted to provide assurance to the stakeholders in respect of adequate IT security.

IDFC FOUNDATION

INDIA RURAL DEVELOPMENT REPORT 2013 | 2014

India Rural Development Report 2013|14 was released on September 14, 2015. The Report was prepared by IDFC Foundation, in collaboration with IDFC Rural Development Network Partners-Institute of Rural Development Anand (**"IRMA"**), Indira Gandhi Institute of Development Research Mumbai (**"IGIDR"**) and Centre for Economic and Social Studies Hyderabad (**"CESS"**) with contributions from researchers and experts.

The Report goes beyond studying regional disparities and constructs regional typologies in order to formulate policy. The Report also provides a comprehensive update on the state of rural development since the release of the first India Rural Development Report in 2013.

The Report will be an invaluable resource for policy-makers at the Centre and in the states, local bodies, non-government organizations and private corporations engaged with the rural sector. Students, scholars and researchers too will find it immensely useful.

CORPORATE SOCIAL RESPONSIBILITY

Social engagement and community development has been a way of life at IDFC. Corporate Social Responsibility (**"CSR"**) is a key element of our bank's philosophy. Initiatives to benefit local communities are carefully woven into the fabric of our business. These initiatives are carried out through IDFC Foundation, a not-for-profit organization, dedicated to bringing about change at the grass root level.

Dedicated initiatives include focused interventions in the areas of health, education and livelihood - envisaged to build trust in the communities we serve.

To engage with the local communities, IDFC Foundation in conjunction with the bank has identified requirements such as digital education for children, vision care, and cattle care for livelihood enhancement.

Some recent initiatives include:

NAYANTARA—VISION CARE

A 2001 survey estimated a prevalence of 10.8% in India, while the global prevalence of blindness is 0.7%. We decided to focus on reducing preventable blindness in rural India. To improve access to good quality eye care by qualified medical professionals, IDFC Foundation, in partnership with Seva Sadan Eye Hospital Trust in Bhopal has launched "Nayantara" - a programme to provide free diagnosis and vision care in all districts, we serve as a bank.

DIGISHALA—DIGITAL EDUCATION IN SCHOOLS

In the first month of the bank's operations, IDFC Foundation initiated a pilot project for promoting digital literacy amongst school students in Hoshangabad district of Madhya Pradesh in partnership with Pratham InfoTech Foundation (**"PIF"**), a non-profit organisation. The 3-year project has been successfully rolled out in 18 government schools, impacting over 7000 children.

Aside from digital education, IDFC Foundation also focuses on need-based interventions. For example, two schools in Sangakheda, MP, have been adopted for upgrading physical infrastructure, thereby helping the village in its aim to become a model village under the government's Pradhan Mantri Aadarsh Gram Yojna.

CATTLE CARE PROJECT—SHWETDHARA

Shwetdhara is an initiative set up with the objective of helping small and marginal farmers improve their income from dairy development activities. Such

IDFC Foundation has been supporting Masoom, an organization working towards improving education in night schools of Mumbai through a 'Night School Transformation Program'.

healthcare interventions are carried out at permanent cattle care centres exclusively set up for the purpose, equipped with a para-vet who cover the villages nearby, treat cattle, provide vaccination and medical care for cattle. In areas not covered by cattle care centres, the Foundation organises regular cattle care camps throughout the year. IDFC Foundation has partnered with one of India's premier animal husbandry organizations, J K Trust, for delivering this programme.

NIGHT SCHOOL TRANSFORMATION IN MUMBAI WITH MASOOM

IDFC Foundation has been supporting Masoom, an organization working towards improving education in night schools of Mumbai through a 'Night School Transformation Program'. The grant extended by IDFC Foundation covered a large part of the administrative expenses of Masoom and has helped improve its organizational performance and program delivery. Over three years, Masoom has been able to scale up its interventions to 30 night schools, impacting the life of about 3,500 students.

SUPPORTING MATERNAL AND NEWBORN HEALTH IN MUMBAI WITH SNEHA

IDFC Foundation has been supporting the Society for Nutrition, Education and Health Action (**"SNEHA"**) since June 2012 through grants and capacity building for its 'Maternal & Newborn Health Beyond Boundaries' program. Under this program, referral systems have been established between healthcare facilities for safe deliveries. SNEHA has partnered with 104 health facilities (hospitals, maternity homes and health posts) in four Municipal Corporations of Mumbai Metropolitan Region. About 1 lakh pregnant women with normal conditions and 20,000 with high risk and emergency conditions have benefitted from the program. The referral linkages have also significantly contributed in saving lives of 2,164 pregnant women.

COMMUNITY DEVELOPMENT IN MEGHALAYA

As part of its engagement with the government and the community in Meghalaya, IDFC Foundation commissioned a Solar Street Lighting Project in Mawlynnong Village. Named Asia's Cleanest Village, Mawlynnong attracts a large number of tourists; up to 500 a day during peak season. Inaugurated in May 2015, the project has had a positive impact on both tourism and life in general.

This project now has become a benchmark Public-Private-Community Partnership for the Meghalaya government to replicate in other rural areas. The project has also been included under Salient Features of Mawlynnong Village in the Good Practice Document showcased by the Ministry of Panchayati Raj.

PRIMARY EDUCATION IN RAJASTHAN

This initiative is aimed at improving the learning levels of students studying in 60 government primary schools (Classes I to V) in Ramgarh and Kishangarh Bas blocks of Alwar district, Rajasthan. This is being done in partnership with the District Authority, Alwar District and Ibtada (an NGO based in Alwar, Rajasthan). The program involves a 'whole-school approach' targeting holistic improvements across a set of intervention areas. These include development of specialized remedial packages for students who are lagging, training of government school teachers for improved teaching techniques and better school management, building leadership qualities among school children, and capacity building of the local community for playing a greater role in School Management Committees (**"SMCs"**). The program is expected to benefit 8,000 students over 3 years.

SETTING UP CENTRE OF EXCELLENCE, TEXTILE MUSEUM AND VISION CENTRE IN ALMORA, UTTARAKHAND

In September 2015, IDFC Foundation committed to provide a grant support to Panchacholi Women Weavers (**"PWW"**) as a partner for setting up centre of excellence for women across five districts of Almora, Rudraprayag, Uttarkashi, Bageshwar and Pithoragarh in Uttarakhand. The grant was made in order to develop handlooms as a means of sustainable livelihood for women.

The programme aims to benefit total 1000 artisans, out of which 200 will gain employment at centre of excellence. Another 800 artisans will get skill upgradation, raw material, designs, samples, and marketing facilities in the first year of centre's operations.

IMPROVING EARLY CHILD CARE AND EDUCATION IN UTTARAKHAND

IDFC Foundation partnered with Sesame Workshop India Trust (SWIT) for improving preschool literacy and hygiene awareness for over 1.5 lakh children in 6000 government-run primary care centres.

This involved training master trainers and specialists and monitoring the training of Anganwadi workers. It also comprised developing content to be taught and encouraging Anganwadi workers to use the latest pedagogy and training concepts such as flash cards etc.

The final report on the outcome of the project has been shared with the state government.

IMPROVED CITY SYSTEMS IN URBAN CENTRES

The year marked the successful initiation of an advocacy project for improved city systems in India with Janaagraha, a Bangalore-based non-profit organisation that works towards transforming quality of life in India's cities and towns. IDFC Foundation supported Janaagraha through grants and assistance for its Transforming Quality of Life in Indian Cities & Towns programme from 2015–16 fiscal to 2017–18.

Project aims to benefit a total of 3.4 crore population in three years from 21 major cities in India, comprising capital cities of 16 major states chosen based on population and coverage of states.

CANCER TREATMENT FOR UNDERPRIVILEGED

IDFC Foundation recognises that health care expenses are well known to drag families into poverty. In the absence of any insurance and social security system, ailments like cancer sink millions into poverty each year due to high cost and often long-drawn course of treatment and relapse. Charitable hospitals in India play an important role in reducing the burden on families that cannot afford high quality cancer treatment. Kamala Nehru Memorial Hospital (KNMH) & Regional Cancer Centre in Allahabad is a premier charitable hospital in India that addresses the cost of cancer treatment for the underprivileged. Last year, IDFC Foundation provided a grant of ₹ 68.3 lakhs to KNMH towards the cost of running and maintaining equipment used in providing radiation therapy to needy cancer patients. Our support is likely to benefit at least 800 new patients involving at least 20,000 sittings over the course of a year. Several families will benefit financially from the reduced cost of treatment.



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 the affairs 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 emphasises on appropriate and timely disclosures and transparency in its business dealings.

Corporate Governance is a continuous process at IDFC. It is about commitment to values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

SEBI LODR REGULATIONS

The Securities and Exchange Board of India (**"SEBI"**) on September 2, 2015 issued SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (**"SEBI LODR Regulations"**) with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. SEBI LODR Regulations required the Company entered into simplified Listing Agreement with BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**) during November, 2015.

As a Company, which believes in implementing Corporate Governance practices that go beyond just meeting the letter of law, IDFC not only meets with the requirement of the Companies Act, 2013 (**"the Act"**) and mandated elements of SEBI LODR Regulations relating to Corporate Governance, but also implements certain non-mandatory recommendations.

This chapter, read with the chapters on Management Discussion & Analysis and Board's Report confirms IDFC's compliance with SEBI LODR Regulations.

BOARD OF DIRECTORS

SIZE AND COMPOSITION OF BOARD

As on March 31, 2016, IDFC's Board consisted of Eight Directors, comprising (i) Five Independent Directors (**"IDs"**) including a Non-Executive Independent Chairman; (ii) a Managing Director & CEO; (iii) One Nominee Director of an institution which has invested in the Company; and (iv) One Nominee Director of Government of India (**"GoI"**). The Directors bring to the Board a wide range of experience and skills which include banking, global finance, accounting and economics.

The composition of the Board is in conformity with Regulation 17 of SEBI LODR Regulations, read with Section 149(4) of the Act, with a Non-Exceutive Chairman and more than one third of the Board comprising of IDs.

The Directors oversee the management functions to ensure that these are effective and enhance Shareholder value. 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 authorise and monitor strategic investments, to ensure regulatory compliance as well as high standards of governance and safeguard interests of all stakeholders.

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.

CHANGES IN BOARD OF DIRECTORS

During the year, the composition of the Boards of various IDFC group companies were reorganised in view of the Banking License received by IDFC Bank Limited. Accordingly, the following changes took place in directorships:

1. **Mr. Vinod Rai**
   Appointed as an Independent Director w.e.f. June 30, 2015 and Non-executive Independent Chairman w.e.f. October 31, 2015.
2. **Mr. Gautam Kaji**
   Resigned w.e.f. August 5, 2015 & appointed as an Independent Director w.e.f. October 1, 2015.
3. **Dr. Omkar Goswami**
   Resigned w.e.f. August 6, 2015.
4. **Late Mr. S. H. Khan**
   Resigned w.e.f. August 10, 2015.
5. **Dr. Rajiv B. Lall**
   Resigned w.e.f. September 30, 2015.

During the year, **Mr. Chintamani Bhagat** was appointed as Nominee Director representing Domestic and Foreign Institutional Shareholders in place of **Mr. Joseph Dominic Silva** w.e.f. October 31, 2015.

With profound grief and sadness we regret the sad demise of Mr. S. H. Khan, ID on January 12, 2016. Mr. Khan was associated with IDFC over two decades and had contributed immensely to the growth of the Company.

Table 1 gives details of the composition of Board of Directors for FY16 including their other Directorships and Memberships / Chairmanships of Committees.

CHANGES IN KEY MANAGERIAL PERSONNEL ("KMP")

As a part of restructuring of IDFC Group, Mr. Sunil Kakar and Mr. Mahendra Shah stepped down as CFO and CS, respectively of IDFC w.e.f. October 31, 2015 and Mr. Bipin Gemani & Mr. Ketan Kulkarni were appointed as CFO and CS, respectively w.e.f. October 31, 2015.

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 Annual General Meeting (**"AGM"**) of the Shareholders. Additional meetings are held whenever necessary.

In consultation with the Chairman and Managing Director & CEO, the Company Secretary prepares the agenda and the explanatory notes and circulates these 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, the Company does make use of video conferencing facility and other audio-visual means, when necessary, to enable larger participation of Directors in the meetings.

Members of the Senior Management are invited to attend the Board Meetings, make presentations and provide additional inputs to the items under discussion. The Minutes of each Board / Committee Meeting are recorded in the Minutes Book. 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 FY16, the Board met six times and the gap between two consecutive meetings was less than one hundred and twenty days. The dates of the meetings were: April 30, 2015, July 29, 2015, July 30, 2015, October 31, 2015, January 30, 2016 and March 30, 2016.

INFORMATION PROVIDED TO THE BOARD

The Board was presented with the information on various important matters of operations and business, annual operating plans, budgets, presentations, financial results of the Company and its subsidiaries, 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, sale of investment, assets which are material in nature and not in normal course of business, foreign exposure and non-compliance, if any with regulatory or statutory guidelines or in SEBI LODR Regulations and other matters which are required to be placed before the Board in terms of the Act and Schedule II Part A of SEBI LODR Regulations, as and when applicable.

The Board periodically reviews compliances of all the laws applicable to IDFC, as well as steps taken to rectify instances of non-compliances, if any.

01 COMPOSITION OF BOARD OF DIRECTORS FOR FY16

NAME OF THE DIRECTOR	DIN NO.	POSITION	NO. OF MEETINGS HELD IN FY16
Mr. Vinod Rai[1]	01119922	Non-executive Independent Chairman	5
Mrs. Snehlata Shrivastava	06478173	Nominee of Ministry of Finance, GoI, Non-executive	6
Mr. Chintamani Bhagat[2]	07282200	Nominee of Domestic and Foreign Institutional Shareholders, Non-executive	3
Mr. S. S. Kohli	00169907	Independent Director	6
Mr. Gautam Kaji[3&4]	02333127	Independent Director	6
Mr. Donald Peck	00140734	Independent Director	6
Ms. Marianne Økland	03581266	Independent Director	6
Mr. Vikram Limaye	00488534	Managing Director & CEO	6
Dr. Rajiv B. Lall[5]	00131782	Executive Chairman	3
Late Mr. S. H. Khan[3&6]	00006170	Independent Director	3
Dr. Omkar Goswami[3&7]	00004258	Independent Director	3
Mr. Joseph Dominic Silva[2]	06388807	Nominee of Domestic and Foreign Institutional Shareholders, Non-executive	3

*Excluding Directorship in Foreign Companies, Private Limited Companies, Companies under Section 8 of the Act.

**Includes memberships and Chairmanship of only Audit Committee and Stakeholders' Relationship Committee as mandated under SEBI LODR Regulations.

None of the Directors on the Board is a member of more than ten committees and the Chairman of more than five committees in all public Compaines in which he is a Director. All the Directors have made disclosures regarding their membership on various committees in other Companies which is in compliance with the provisions of the Companies Act 2013 and SEBI LODR Regulations.

[1] Appointed as Independent Director w.e.f. June 30, 2015 and Non-executive Independent Chairman w.e.f. October 31, 2015.

[2] Appointed as a Nominee Director in place of Mr. Joseph Dominic Silva w.e.f. October 31, 2015.

[3] Late Mr. S. H Khan, Dr. Omkar Goswami, Mr. Gautam Kaji resigned w.e.f. August 10, 2015, August 6, 2015 and August 5, 2015 respectively.

[4] Appointed as an Additional Director in the category of Independent Director w.e.f. October 1, 2015.

[5] Resigned from Board w.e.f. September 30, 2015.

[6] Late Mr. S. H. Khan, Chairman of the Audit Committee and Stakeholder Relationship Committee, owning to his health reasons could not attend the AGM of the Company, held on July 30, 2015.

[7] Dr. Omkar Goswami, Chairman of Nomination and Remuneration Committee, could not attend the AGM of the Company held on July 30, 2015 owing to his personal commitments.

MEETING OF INDEPENDENT DIRECTORS

The Company's IDs met on April 29, 2016 without the presence of Executive Directors (**"EDs"**) and the Management Personnel. All the five IDs of the Company attended the Meeting. Details of the performance evaluation has been provided hereinafter in this Report under the heading Performance Evaluation.

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 are made at the Board Meetings, on business and performance updates of the Company / subsidiaries, global business environment, business strategy and associated risks, roles, rights and responsibilities of IDs. Detailed presentations on the Company's business and businesses of its subsidiaries were made at the meetings of the Directors held during the year. The details of the above are available on the website of the Company - www.idfc.com.

CODE OF CONDUCT

The Board of Directors at its meeting held on January 30, 2016 approved and adopted the revised Code of Conduct for all Directors and designated Senior Management Personnel (**"SMP"**)[**"Code"**] after incorporating the changes specified in SEBI LODR Regulations. The Code is available on the website of the Company - www.idfc.com. All Board members and designated SMPs have affirmed their compliance with the Code. A declaration to this effect duly signed by the

NO. OF MEETINGS ATTENDED IN FY16	WHETHER ATTENDED LAST AGM ON JULY 30, 2015	NO. OF DIRECTORSHIPS OF PUBLIC COMPANIES* (INCLUDING IDFC)	NUMBER OF COMMITTEES (INCLUDING IDFC)**
5	Yes	4	3 (including 1 chairmanship)
1	No	3	3
2	NA	1	0
5	Yes	10	10 (including 5 chairmanship)
5	Yes	2	2 (both as chairman)
3	Yes	2	1
5	Yes	3	1
6	Yes	9	3
3	Yes	NA	NA
1	No	NA	NA
1	No	NA	NA
2	Yes	NA	NA

Managing Director & 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 Section 149(6) and 149(7) of the Act.

COMMITTEES OF THE BOARD

As of March 31, 2016, IDFC had the following Board-level Committees: (i) the Audit Committee; (ii) the Nomination & Remuneration Committee; (iii) the Risk Management Committee; (iv) the Stakeholders' Relationship Committee (v) the Corporate Social Responsibility Committee (vi) the Credit Committee (till September 30, 2015) and (vii) the Investment Committee. All decisions pertaining to the constitution of committees, appointment of members in different committees and fixing of terms of reference for the committees are taken by the Board of Directors.

These Committees play a crucial role in the governance structure of the Company and help to delegate particular matters that require greater and more focused attention. They also prepare the groundwork for decision making and recommend their views to the Board. Majority of the members of all the above Committees consist of IDs. The Company Secretary officiates as the Secretary to all the Committees. The composition of various committees of the Board is posted on the website of the Company - www.idfc.com.

Details on the broad role and composition of the committees, including the number of meetings held during FY16 and the attendance of each member, are given hereinafter.

A. AUDIT COMMITTEE

As on March 31, 2016, the Audit Committee comprised three Members, all of whom are IDs. The Committee met four times during FY16: on April 30, 2015, July 29, 2015, October 31, 2015 and January 30, 2016. The time gap between two consecutive meetings was less than one hundred and twenty days. Attendance details of the Audit Committee Meetings are given in **Table 2.**

At the meeting of the Board of Directors held on October 31, 2015, the Audit Committee was reconstituted. The revised constitution is as under:

Mr. Gautam Kaji—Chairperson
Mr. Vinod Rai—Member
Ms. Marianne Økland—Member
Mrs. Snehlata Shrivastava—Member

The CFO, the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary of IDFC, is the Secretary to the Committee. The quorum of the meeting is two members.

The Minutes of the Audit Committee 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:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, remuneration and, terms of appointment if required, of the Statutory Auditors and the fixation of audit fees;
- Approving appointment of the CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Approving payment to Statutory Auditors for statutory audits and any other services rendered by them;

02 ATTENDANCE DETAILS OF AUDIT COMMITTEE MEETINGS FOR FY16

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Gautam Kaji[1]	Independent Director	Chairperson	4	3
Mr. Vinod Rai[2]	Non-executive Independent Chairman	Member	2	2
Ms. Marianne Økland	Independent Director	Member	4	3
Mrs. Snehlata Shrivastava	Nominee Director	Member	4	0
Late Mr. S. H. Khan[3]	Independent Director	Chairperson	2	2
Dr. Omkar Goswami[4]	Independent Director	Member	2	1

[1] Appointed as Chairperson of the Committee w.e.f. October 31, 2015
[2] Appointed as a Member of the Committee w.e.f. October 31, 2015
[3] Resigned as Chairperson of the Committee w.e.f. August 10, 2015
[4] Resigned as a Member of the Committee w.e.f. August 6, 2015

- Reviewing, with the Management, the annual financial statements and Auditors' Report before submission to the Board for approval, with particular reference to:
  - **a.** Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report;
  - **b.** Changes, if any, in accounting policies and practices and reasons for the same.
  - **c.** Major accounting entries involving estimates based on the exercise of judgment by Management;
  - **d.** Significant adjustments made in the financial statements arising out of audit findings, if any;
  - **e.** Compliance with listing and other legal requirements relating to financial statements;
  - **f.** Disclosure of related party transactions, where these exist;
  - **g.** Qualifications in the draft audit report, if any.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the Auditors' independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors, if any;
- To oversee the Vigil Mechanism and review the functioning of the Whistle Blower policy;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses if any; and
- The appointment, removal and terms of remuneration of the Chief Internal

Auditor shall be subject to review by the Audit Committee;

- Statement of deviations
  - **a.** Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in term of Regulation 32(1) of SEBI LODR Regulations.
  - **b.** Annual statement of fund utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of SEBI LODR Regulations.

The Audit Committee is also empowered to: (i) investigate any activity within its terms of reference and seek any information it requires from any employee and (ii) obtain outside legal or other independent professional advice and to secure the attendance / services of outsiders with relevant experience and expertise, when necessary.

In addition, the Audit Committee also reviews the financial statements, in particular, the investments made by the subsidiary companies;

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;
- Details of materially significant individual transactions with related parties which are not in the normal course of business; and
- 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.

B. NOMINATION & REMUNERATION COMMITTEE

As of March 31, 2016, the Nomination & Remuneration Committee (**"NRC"**) comprised of Three Directors, all of whom are IDs. The Committee met four times during FY16: on April 24, 2015, June 17, 2015, July 30, 2015 and October 31, 2015. The quorum of the meeting is two members. Attendance details of the NRC are given in **Table 3.**

At the meeting of the Board of Directors held on October 31, 2015, the NRC was reconstituted. The revised constitution is as under:

Mr. Donald Peck—Chairperson
Mr. Vinod Rai—Member
Mr. Gautam Kaji—Member

The role of the committee 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.** Formulation of criteria for evaluation of performance of IDs and the Board;
- **c.** Devising a policy on Board diversity;
- **d.** 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, whether to extend or continue the term of appointment of the ID on the basis of the report of performance evaluation of ID's;
- **e.** Succession planning of the Board of Directors and SMPs.

REMUNERATION POLICY

The Board, based on the recommendation of the NRC, approved the Remuneration policy for the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees. The said policy is posted on the Website of the Company - www.idfc.com.

IDFC pays remuneration to EDs by way of salary, perquisites including

03 ATTENDANCE DETAILS OF NOMINATION & REMUNERATION COMMITTEE MEETINGS FOR FY16

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Donald Peck[1]	Independent Director	Chairperson	4	4
Mr. Vinod Rai[2]	Non-executive Independent Chairman	Member	1	1
Mr. Gautam Kaji[2]	Independent Director	Member	4	2
Dr. Rajiv B Lall[3]	Executive Chairman	Member	3	3
Dr. Omkar Goswami[4]	Independent Director	Chairperson	3	2

[1] Appointed as Chairperson of the Committee w.e.f. October 31, 2015
[2] Inducted as a Member of the Committee w.e.f. October 31, 2015
[3] Resigned as a Member w.e.f. September 30, 2015
[4] Resigned as Chairperson w.e.f. August 6, 2015.

04 CRITERIA FOR PAYMENT OF COMMISSION TO NON-EXECUTIVE DIRECTORS

PARTICULARS	AMOUNT (₹ PER ANNUM) (FOR THE PERIOD UPTO OCTOBER 1, 2015)	AMOUNT (₹ PER ANNUM) (FOR THE PERIOD FROM OCTOBER 1, 2015)
Fixed Remuneration for member of the Board	1,050,000	700,000
Chairman of the Board	1,050,000	700,000
Chairman of the Audit Committee	300,000	200,000
Chairman of Other Committees	150,000	100,000
Member of the Audit Committee	150,000	100,000
Member of Other Committees	75,000	50,000
Variable remuneration (Depending on attendance at Board Meetings)	450,000	300,000

Note: The above numbers represent the criteria for payment of commission and not the actual amount being paid for FY16.

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 same is separately disclosed in the annexures to Boards' Report. The remuneration paid to EDs is determined keeping in view the industry benchmark and the relative performance of the Company vis-à-vis industry performance.

The Non-executive Directors (**"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 16th AGM held on July 29, 2013. The Commission is distributed on the basis of attendance and contribution made at the Board and Committee Meetings as well as Chairmanship of the Committees. The criteria for payment of commission to NEDs are given in **Table 4.** IDFC will pay a sum of ₹1.10 crore as commission to its NEDs for FY16. The said amount will be paid to the Directors, subject to deduction of tax, after the ensuing AGM. The Company has not granted any stock options to NEDs / IDs.

Table 5 gives details of remuneration paid to the Directors during FY16. The Company did not advance loans to any of its Directors during FY16. None of the Directors is entitled to severance fee and none of the NEDs held any stock options as at March 31, 2016. As per the current terms, the notice period for Mr. Vikram Limaye, Managing Director & CEO is three months. The approval of Shareholders is sought for reappointment of Mr. Vikram Limaye as Managing Director & CEO for three years w.e.f. May 1, 2016 at the ensuing AGM. None of the employees of the Company is related to any of the Directors. There are no inter-se relationships between Board members.

PERFORMANCE EVALUATION

The evaluation of the Chairperson, Directors and the Board / Committees was proposed to be done through circulation of three questionnaires, one for the evaluation of Chairperson, the another for Directors and the third for the Board & Committees thereof. The Directors discussed the questionnaires which were circulated and after discussion they informed that they would revert on the process to be followed for evaluation of each of the Directors and also of the Chairperson and the Board & it's Committees.

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NEDs

As on March 31, 2016, none of the NEDs held any shares of the Company. There were no convertible instruments that were issued by the Company.

05 DETAILS OF THE REMUNERATION PAID TO THE DIRECTORS

AMOUNT IN ₹

NAME OF THE DIRECTOR	SITTING FEES	SALARY AND PERQUISITES	CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	COMMISSION FOR FY2015	PAID DURING FY2016 TOTAL
Mr. Vinod Rai[1]	550,000	–	–		550,000
Mrs. Snehlata Shrivastava	–	–	–	–	–
Mr. Chintamani Bhagat[2]	150,000	–	–	–	150,000
Mr. S. S. Kohli	500,000	–	–	1,618,750	2,118,750
Mr. Gautam Kaji[3 & 4]	575,000	–	–	1,875,000	2,450,000
Mr. Donald Peck	325,000	–	–	1,500,000	1,825,000
Ms. Marianne Økland	525,000	–	–	1,725,000	2,250,000
Mr. Vikram Limaye[5]	–	28,154,275	1,951,680	–	30,105,955
Dr. Rajiv B. Lall[5 & 6]	–	17,434,302	806,880	–	18,241,182
Late Mr. S. H. Khan[3]	250,000	–	–	2,100,000	2,350,000
Dr. Omkar Goswami[3]	175,000	–	–	1,875,000	2,050,000
Mr. Joseph Dominic Silva[7]	150,000	–	–	1,200,000	1,350,000
Mr. Shardul Shroff[8]	–	–	–	387,500	387,500

[1] Appointed as ID w.e.f. June 30, 2015 and Non-executive Independent Chairman w.e.f. October 31, 2015
[2] Appointed as a Nominee Director w.e.f. October 31, 2015.
[3] Late Mr. S. H. Khan, Dr. Omkar Goswami, Mr. Gautam Kaji resigned as IDs w.e.f. August 10, 2015, August 6, 2015 and August 5, 2015 respectively.
[4] Appointed as ID w.e.f. October 1, 2015.
[5] During the year, Dr. Rajiv B Lall has been granted 1,500,000 stock options and Mr. Vikram Limaye has been granted 1,000,000 stock options under IDFC ESOS Scheme, 2007. The stock options granted to Dr. Lall and Mr. Limaye would vest in graded manner over a period of 3 years from the date of grant of options and are exercisable over a period of 5 years from the date of vesting. Options were granted at 'market price' as defined under SEBI (Share Based Employee Benefits. Regulations 2014. Details of performance linked incentives of Dr. Lall & Mr. Limaye are given in Board's Report.
[6] Resigned from the Board w.e.f. September 30, 2015.
[7] Resigned as a Nominee Director w.e.f. October 31, 2015.
[8] Resigned as ID w.e.f. June 3, 2014.

C. RISK MANAGEMENT COMMITTEE

As on March 31, 2016, the Risk Management Committee comprises of Five members, including Managing Director & CEO and the remaining four being IDs. IDFC has in place mechanism to inform the Board about its risk assessment and minimisation procedures with periodical reviews to ensure that the Management controls risk through a Board-approved properly defined framework. The Board is responsible for framing, implementing and monitoring the risk management plan for the Company. This is done through its Board-level Risk Management Committee and it monitors and reviews risk management of the Company on a regular basis.

The Risk Management Committee reviews and monitors mainly three types of risks across the organisation: credit risk, market risk and operational risk. This is done under the overall framework of the Enterprise Risk Management System. The Chairperson of the Committee, reports the findings / observations of the Committee to the Board.

The Committee met four times during the year under review on April 30, 2015; July 29, 2015; October 31, 2015 and January 30, 2016. The quorum of the meeting is three members. Attendance details of Risk Management Committee Meetings are given in **Table 6.**

At the meeting of the Board of Directors held on October 31, 2015, the Risk Management Committee was reconstituted as under:
Ms. Marianne Økland—Chairperson
Mr. Vinod Rai—Member
Mr. S. S. Kohli—Member
Mr. Gautam Kaji—Member
Mr. Vikram Limaye—Member

D. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As of March 31, 2016, the Stakeholders' Relationship Committee (**"SRC"**) consists of three Directors comprising of two IDs and the Managing Director & CEO. The Committee met four times during the year on April 30, 2015, July 29, 2015, October 31, 2015 and January 30, 2016. The quorum of the meeting is two members. Attendance details of SRC meetings are given in **Table 7**.

At the meeting of the Board of Directors held on October 31, 2015, the SRC was reconstituted. The revised constitution is as under:
Mr. Vinod Rai—Chairperson
Mr. S. S. Kohli—Member
Mr. Vikram Limaye—Member

The Committee is empowered to handle Shareholders' and other investors' complaints and grievances. The SRC considers and resolves the grievances of the security holders of the

06 ATTENDANCE DETAILS OF RISK MANAGEMENT COMMITTEE MEETINGS FOR FY16

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Ms. Marianne Økland[1]	Independent Director	Chairperson	4	3
Mr. Vinod Rai[2]	Non-executive Independent Chairman	Member	2	2
Mr. S. S. Kohli[2]	Independent Director	Member	2	2
Mr. Gautam Kaji[3]	Independent Director	Chairperson	4	3
Mr. Vikram Limaye	Managing Director & CEO	Member	4	4
Late Mr. S. H. Khan[4]	Independent Director	Member	2	2
Dr. Rajiv B. Lall[5]	Executive Chairman	Member	2	2

[1] Appointed as Chairperson of the Committee w.e.f. October 31, 2015
[2] Inducted as a Member of the Committee w.e.f. October 31, 2015
[3] Resigned as Chairperson w.e.f. August 5, 2015 and appointed as a Member of the Committee w.e.f. October 31, 2015
[4] Resigned as a Member w.e.f. August 10, 2015
[5] Resigned as a Member w.e.f. September 30, 2015

07 ATTENDANCE DETAILS OF STAKEHOLDERS' RELATIONSHIP COMMITTEE MEETINGS FOR FY16

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Vinod Rai[1]	Non-executive Independent Chairman	Chairperson	2	2
Mr. S. S. Kohli[2]	Independent Director	Member	2	2
Mr. Vikram Limaye	Managing Director & CEO	Member	4	4
Late Mr. S. H. Khan[3]	Independent Director	Chairperson	2	2
Dr. Rajiv B. Lall[4]	Executive Chairman	Member	2	2

[1] Appointed as Chairperson of Committee w.e.f. October 31, 2015
[2] Inducted as a Member of the Committee w.e.f. October 31, 2015
[3] Resigned as Chairperson w.e.f. August 10, 2015
[4] Resigned as a Member w.e.f. September 30, 2015

Company, including complaints related to transfer of securities, non-receipt of annual report, non-receipt of declared dividends etc.

It primarily focuses on:

- Review of investor complaints and their redressal;
- Review of queries received from investors;
- Review of work done by the Registrar & Share Transfer Agent;
- Review of corporate actions related to investor issues; and
- To perform any other function, duty 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, a Share Transfer Committee comprising of Mr. Vinod Rai, Mr. Vikram Limaye, Mr. Bipin Gemani and Mr. Ketan S. Kulkarni looks into share transfer / transmission / name deletion / transposition / rematerialisation 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.

Mr. Ketan Kulkarni, the Company Secretary is designated as the Compliance Officer in terms of the SEBI LODR Regulations. In terms of Regulation 6(2)(d) of SEBI LODR Regulations, the designated e-mail address for investor complaints is ketan.kulkarni@idfc.com

No complaints were received till the time of demerger in respect of the bonds issued by the Company on private placement basis.

Effective October 1, 2015, the Infrastructure Bonds issued by the Company under Section 80CCF of the Income Tax Act, 1961 and bonds issued by the Company on private placement basis were transferred to IDFC Bank, pursuant to the Scheme of Demerger of Financing Undertaking of IDFC into IDFC Bank.

Details of queries and grievances received and attended by the Company during FY16 for Equity Shares and Infrastructure Bonds (upto September 30, 2015) are given in **Table 7A** and **7B,** respectively.

7A NATURE OF COMPLAINTS RECEIVED AND ATTENDED DURING FY16 FOR EQUITY SHARES

SR. NO.	NATURE OF COMPLAINT	PENDING AS ON APRIL 1, 2015	RECEIVED DURING THE YEAR	ANSWERED DURING THE YEAR	PENDING AS ON MARCH 31, 2016
1.	Non-receipt of Dividend	NIL	252	252	NIL
2.	Non-receipt of Annual Report	NIL	923	923	NIL
3.	Complaints received from:				
	- SEBI	NIL	6	6	NIL
	- Stock Exchange	NIL	6	6	NIL
4.	Non-receipt of Refund	NIL	NIL	NIL	NIL
5.	Non-receipt of Electronic Credit(s)	NIL	NIL	NIL	NIL

7B NATURE OF COMPLAINTS RECEIVED AND ATTENDED DURING THE PERIOD APRIL 1, 2015 TO SEPTEMBER 30, 2015 FOR INFRASTRUCTURE BONDS ISSUED U/S 80CCF OF INCOME TAX ACT, 1961

SR. NO.	NATURE OF COMPLAINT	PENDING AS ON APRIL 1, 2015	RECEIVED DURING THE YEAR	ANSWERED DURING THE YEAR	PENDING AS ON SEPTEMBER 30, 2015
1.	Non-receipt of Bond Certificate(s)	NIL	1,371	1,371	NIL
2.	Non-receipt of Electronic Credit	NIL	2	2	NIL
3.	Non-receipt of Refund order	NIL	12	12	NIL
4.	Status of Application	NIL	4	4	NIL
5.	Non-receipt of Interest	NIL	3,892	3,892	NIL
6.	Complaints received from:				
	- SEBI	NIL	25	25	NIL
	- Stock Exchange	NIL	NIL	NIL	NIL
	- ROC	NIL	1	1	NIL

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on March 31, 2016, the Corporate Social Responsibility (**"CSR"**) Committee consists of Three Directors, comprising of Two IDs and the Managing Director & CEO. The quorum of the meeting is Two members. The Composition of CSR Committee is given in **Table 8**.

At the meeting of the Board of Directors held on October 31, 2015, the CSR Committee was reconstituted. The revised constitution is as under:
Mr. Vikram Limaye—Chairperson
Mr. S. S. Kohli—Member
Mr. Donald Peck—Member

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. Based on the recommendation of the CSR Committee at its meeting held on April 29, 2016, the existing CSR policy was amended in order to bring it in line with the recent amendments. A copy of the said CSR policy is also placed on the website of the Company - www.idfc.com.

Details of the CSR contribution made by IDFC during the year are given as an Annexure to the Board's Report.

F. CREDIT COMMITTEE (TILL SEPTEMBER 30, 2015)

The Credit Committee comprised of Six members, Four of whom were IDs and Two EDs. The Committee met once during the period on April 30, 2015. Post Demerger of Financing Undertaking of IDFC into IDFC Bank, the said committee was dissolved.

G. INVESTMENT COMMITTEE

The Investment Committee (**"IC"**) comprises of Four Members, Three of whom are IDs and the Managing Director & CEO. Post demerger, IDFC is an Investment Company. The broad mandate of IC is to take an informed decision about the proposed investments to be made by IDFC, having regard to factors like long-term value creation and / or business growth / diversification benefits and / or supplementing client strategy etc.

APPOINTMENT / REAPPOINTMENT OF DIRECTORS

Based on the recommendation of the NRC held on April 29, 2016, the Board at its meeting held on the same

08 COMPOSITION OF CSR COMMITTEE

NAME OF THE MEMBER	POSITION	STATUS
Mr. Vikram Limaye[1]	Managing Director & CEO	Chairperson
Mr. S. S. Kohli[2]	Independent Director	Member
Mr. Donald Peck[2]	Independent Director	Member
Dr. Rajiv B. Lall[3]	Executive Chairman	Chairperson
Dr. Omkar Goswami[4]	Independent Director	Member

[1] Appointed as Chairperson w.e.f. October 31, 2015
[2] Inducted as a Member w.e.f. October 31, 2015
[3] Resigned as Chairperson w.e.f. September 30, 2015
[4] Resigned as a Member w.e.f. August 6, 2015

day approved the reappointment of Mr. Donald Peck as ID to hold office till the conclusion of the 21st AGM of the Company to be held for FY18. The Shareholders of the Company had appointed Mr. Vikram Limaye as Managing Director & CEO at the AGM held on July 29, 2013 for a period of three years w.e.f. May 2, 2013. Based on the recommendation of the NRC held on April 29, 2016, the Board at its meeting held on the same day approved the reappointment of Mr. Vikram Limaye as Managing Director & CEO for a period of 3 years w.e.f. May 1, 2016.

During the year, Mr. Gautam Kaji was appointed as an Additional Director in the category of ID w.e.f. October 1, 2015. The Board, at its meeting held on October 31, 2015, appointed Mr. Chintamani Bhagat as an Additional Director in place of Mr. Joseph Dominic Silva as a Nominee Director representing domestic and foreign institutional Shareholders.

The above reappointment are subject to the approval of the Members of the Company at the ensuing AGM.

Notices pursuant to Section 160 of the Act, have been received from the Members proposing appointment of Mr. Gautam Kaji, Mr Chintamani Bhagat and Mr. Donald Peck as Directors of your Company.

The Board recommends the above appointment / reappointment. Items seeking your approval on the above are included in the Notice convening the 19th AGM.

Brief profiles of the Directors getting appointed / reappointed are given in the Exhibit to the Notice of the AGM.

MD & CEO AND CFO CERTIFICATION

Certification from the Managing Director & CEO and CFO on the financial statements and internal controls relating to financial reporting for FY16 is enclosed at the end of this chapter.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors at its Meeting held on January 30, 2016 adopted the revised Code of Conduct for Prevention of Insider Trading which was brought in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 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.idfc.com.

09 ANNUAL GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

FINANCIAL YEAR	LOCATION OF THE MEETING	DATE	TIME	SPECIAL RESOLUTIONS PASSED WITH REQUISITE MAJORITY
FY13	The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai 600 014.	July 29, 2013	2.30 p.m.	**i.** Appointment of Statutory Auditors; **ii.** Payment of commission to Non-executive Directors; **iii.** Additional 2% equity shares under the Employee Stock Option Scheme; **iv.** Decrease in limit of Foreign holding in the equity share capital from 74% to 54%.*
FY14	The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai 600014.	July 29, 2014	2.00 p.m.	**i.** Approval of the Borrowing Limits of the Company; **ii.** Offer and Issue Non-Convertible Securities under Private Placement; **iii.** Further Issue of Securities **iv.** Alteration of the Object Clause of Memorandum of Association of the Company
FY15	The Music Academy, Kasturi Srinivasan Hall, New No. 168, (Old No. 306), Next to Acropolis Building T.T.K. Road, Royapettah, Chennai 600 014.	July 30, 2015	2.00 p.m.	**i.** Offer and Issue of Non-Convertible Securities under Private Placement

*The shareholders approved the reduction in ceiling limit on the aggregate foreign shareholding from 54% to 49.9% by passing a Special Resolution by way of Postal Ballot Notice dated December 23, 2013.

DISCLOSURES

RELATED PARTY DISCLOSURES

During FY16, all transactions entered into with Related Parties, as defined under 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 Accounting Standards (AS 18) has been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time and the same 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 is displayed on the website of the Company - www.idfc.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, IDFC did not have any material non-listed Indian subsidiary as of March 31, 2015. As of March 31, 2016, the Company has two material subsidiaries—IDFC Financial Holding Company Limited (Unlisted) and IDFC Bank Limited (Listed). Mr. Vinod Rai, Non-executive Independent Chairman of IDFC is acting as the Nominee Director on the respective Boards of the above companies. Based on the recommendation of the Audit Committee, the Board approved a Policy for determining 'material' subsidiaries at its meeting held on April 29, 2016. The said policy is placed on the website of the Company - www.idfc.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. Foreign exposure by way of borrowing and lending were fully hedged during the applicable period.

GENERAL BODY MEETINGS

ANNUAL AND EXTRA-ORDINARY GENERAL MEETINGS OF SHAREHOLDERS

Table 9 gives the details of the AGM held in last three financial years.

No Extra-Ordinary General Meeting of the Company was held during the last three financial years.

SHAREHOLDERS

SPECIAL RESOLUTION SOUGHT TO BE PASSED AT THE ENSUING AGM

IDFC seeks the approval of Members of the Company by way of Special Resolution for (i) reappointment of Mr. Donald Peck as an ID of the Company (ii) approval of Borrowing limits of the Company and (iii) Approval of the Borrowing Limits of the Company including Issue of Non-Convertible Securities under Private Placement.

Detailed explanatory statement pursuant to Section 102 of the Act in respect of the above items forms part of the Notice of the 19th AGM.

MEANS OF COMMUNICATION WITH SHAREHOLDERS

As per Regulation 46 of SEBI LODR Regulations, IDFC maintains a website - www.idfc.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. Information on this website is regularly updated.

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 BSE and NSE. 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 & Makkal Kural and are also displayed on the website of the Company - www.idfc.com.

POSTAL BALLOT

During FY16, there were no Ordinary or Special Resolution(s) that were passed by Shareholders through Postal Ballot.

Based on the recommendation of the NRC and Board at their respective meetings held on April 29, 2016, the approval of the Shareholders was sought by way of Postal Ballot vide Postal Ballot Notice dated May 20, 2016, in respect of the following Special Resolutions:

i. Re-pricing and re-granting of Employee Stock Options ("ESOPs") granted under IDFC Employee Stock Option Scheme, 2007 and reduction of ESOP pool by 40% (from current 7% to 4.2% of the issued and paid up share capital of the Company from time to time);

ii. Approval of IDFC Employee Stock Option Scheme, 2016 in compliance with amended SEBI (Share Based Employee Benefits) Regulations, 2014 (**"ESOP Regulations"**), and grant of stock options to the Eligible Employees / Directors of the Company under the Scheme;

iii. Approval of IDFC Employee Stock Option Scheme, 2016 in compliance with amended ESOP Regulations and grant of stock options to the Eligible Employees / Directors of the Company's subsidiaries (present and future) under the Scheme.

In compliance with the provisions of Section 108 & Section 110 of the Act and Rule 20 & Rule 22 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44 of the SEBI LODR Regulations, the Company had provided its Members the facility to exercise their right to vote on the postal ballot through the Electronic Voting ("e-voting") on all the resolutions as set out in the Notice of the Postal Ballot dated May 20, 2016. The Company had engaged the services of Karvy Computershare Private Limited ("Karvy") to provide the e-voting facility. E-voting was made available from Friday, May 27, 2016 at 9.30 a.m. till Saturday, June 25, 2016 at 5.00 p.m. The Company appointed M/s. BN & Associates, Company Secretaries as the Scrutinizer to scrutinize the entire Postal Ballot process.

The Scrutinizer submitted his report to the Chairman on completion of scrutiny on June 25, 2016 and the consolidated results of the said Postal Ballot were announced. The said results were made available on the website of the Company - www.idfc.com and also placed at the Registered and Corporate Office of the Company. Resolution no. (ii) and (iii) mentioned above were passed by the Shareholders with requisite majority (92.60% and 77.02% in favour, respectively). For Resolution no. (i) the total no. of votes in favour were 70.17% as against the requirement of 75% for passing a special resolution and accordingly, Resolution no. (i) was not approved. Effectively the ESOP pool stands at original 7% of the issued and paid up capital of the Company from time to time, as was approved by the Shareholders at 16th AGM held on July 29, 2013.

During FY17, the Company may pass further Special Resolution(s) through

Postal Ballot as and when required, pursuant to the applicable rules pertaining to the same.

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 overseas the Vigil 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 details of the said mechanism have been disclosed on the website of the Company - www.idfc.com.

COMPLIANCE

The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under Clause 49 of the Listing Agreement and 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.

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.

ADOPTION OF NON-MANDATORY REQUIREMENTS

SEPARATE POSTS OF CHAIRMAN AND CEO

The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director & CEO.

Mr. Vinod Rai is the Non-executive Independent Chairman and Mr. Vikram Limaye is Managing Director & CEO of the Company.

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 AUDITOR

The Internal Auditor presents its reports directly to the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 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 Generally Accepted Accounting Principles in India (**"Indian GAAP"**) to comply with the Accounting Standards as specified under Section 133 and relevant provisions of the Act, as applicable.

ANTI-MONEY LAUNDERING AND KNOW YOUR CUSTOMER POLICY

In keeping with specific requirements for a Non-Banking Financial Company, the Company has formulated an Anti-Money Laundering and Know Your Customer Policy.

GENERAL SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

Financial year-April 1, 2015 to March 31, 2016

For the year ended March 31, 2016, results were announced on:

- July 30, 2015 for the first quarter.
- October 31, 2015 for the second quarter and half year.
- January 30, 2016 for the third quarter.
- April 29, 2016 for the fourth quarter and annual.

For the year ending March 31, 2017, results will be announced latest by:

- Second week of August, 2016 for the first quarter.
- Second week of November, 2016 for the second quarter and half year.
- Second week of February, 2017 for the third quarter.
- Last week of May, 2017 for the fourth quarter and annual.

DIVIDEND

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

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 10**. The annual listing fees for FY17 have been paid.

UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT

IDFC has 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

10 IDFC'S STOCK EXCHANGE CODES FOR EQUITY SHARES

NAME 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

11 UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT

PARTICULARS	NO. OF CASES / MEMBERS	NO. OF SHARES OF ₹10 EACH
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	100	28,453
Number of Shareholders who approached to IDFC / Registrar for transfer of shares from suspense account during the year 2015-16	NIL	NIL
Number of Shareholders to whom shares were transferred from suspense account during the year 2015-16	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, 2016	100	28,453

for this purpose. The Company transfers the shares lying unclaimed under the IPO to the eligible shareholders as and when the request for the same has been received after proper verification. However, during the year ended March 31, 2016, the Company has not received any request for claiming these shares. Details of shares lying in the 'Unclaimed Suspense Account' as on March 31, 2016 are given in **Table 11.**

The voting rights on the shares held in the said unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

STOCK PRICES

Table 12A and 12B gives details of the stock market prices of IDFC's shares pre-demerger and post-demerger. 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 by ownership along with Top 10 equity Shareholders of the Company as on March 31, 2016 are given in **Table 13, Table14** and **Table 15,** 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, 2016, approximately 99.99% shares of IDFC were held in dematerialised form. **Table 16** gives the details.

OUTSTANDING GDRs / ADRs / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

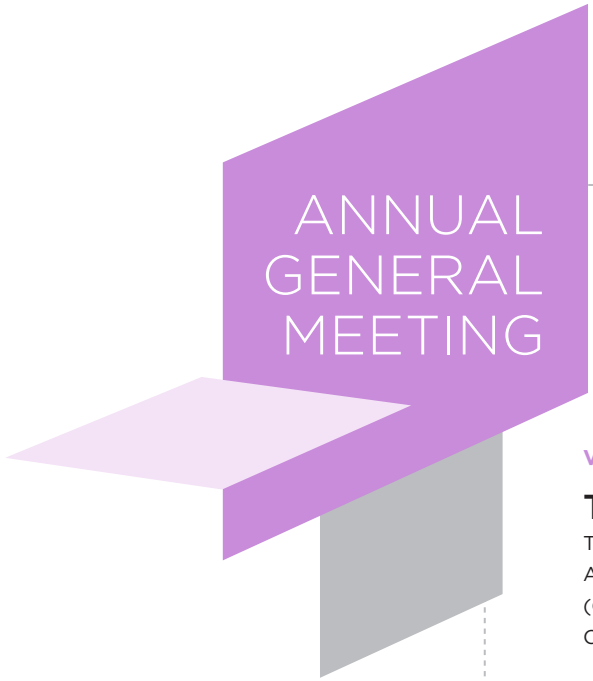
The Company does not have outstanding GDRs / ADRs / Warrants or any Convertible Instruments as on date.

UNCLAIMED / UNPAID DIVIDEND

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, any dividend / refund which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend / refund account is required to be transferred to the Investor Education and Protection Fund (**"IEPF"**) established by the Central Government. No claim shall lie against the Company or IEPF after such a transfer.

Dividends for and up to FY08 have already been transferred to IEPF. The unpaid dividend amount pertaining to FY09 will be transferred to IEPF during this year. Hence members who have not yet encashed their dividend warrant(s) pertaining to dividend for FY09 are requested to make their claims on or before August 23, 2016 to IDFC / Registrar and Transfer Agent.

Pursuant to the applicable provisions of the Act and Companies Act, 1956, it is clarified that claims in respect of dividend amounts that have remained unclaimed or unpaid beyond the period of seven years from the date of payment shall be made to IEPF (i.e. with the Central Government). In other words, once the unclaimed amount is



DATE & TIME

Wednesday
July 27, 2016
2:00 p.m.

VENUE

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, Tamil Nadu.

transferred to IEPF, no claims shall lie against the Company in respect thereof.

The status of dividend remaining unclaimed is given in **Table 17.**

Pursuant to the provisions of IEPF (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2014, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 30, 2015 (date of last AGM) on the Company's website - www.idfc.com and on Ministry of Corporate Affairs website.

SHARE TRANSFER SYSTEM

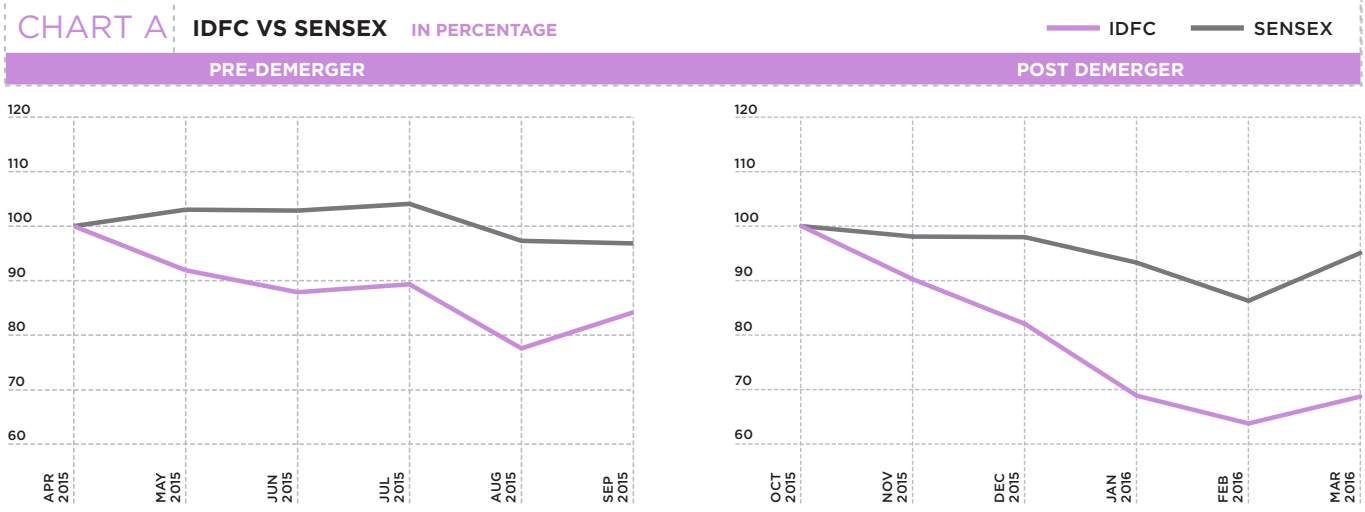
IDFC has appointed Karvy as its Registrar and Transfer Agent. All share transfers and related operations are conducted by Karvy, which is registered with the SEBI as a Category 1 Registrar. The shares sent for physical transfer are effected after giving a 15 days' notice to the seller for confirmation of the sale. IDFC has a Stakeholders' Relationship Committee for redressing Shareholders' and investors' complaints regarding securities issued by IDFC from time to time.

As required under Regulation 40(9) of SEBI LODR Regulations (Erstwhile Clause 47(c) of the Listing Agreement), 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 the physical form with the total issued / paid-up equity capital of the Company.

Certificates issued in this regard are forwarded to BSE and NSE on periodic basis.

CHART A IDFC VS SENSEX IN PERCENTAGE



12A HIGH, LOW AND VOLUMES OF IDFC'S EQUITY SHARES PRE-DEMERGER

	NSE			BSE		
	HIGH	LOW	VOLUME	HIGH	LOW	VOLUME
April 2015	185.00	161.95	101,684,714	178.75	162.00	16,867,507
May 2015	169.85	152.30	125,630,471	169.90	152.30	16,458,359
June 2015	156.20	143.30	92,328,806	156.15	143.30	13,078,326
July 2015	163.60	147.10	122,930,597	163.50	147.10	16,671,108
August 2015	152.90	127.05	113,158,870	152.95	125.00	16,259,586
September 2015	144.10	121.40	191,508,965	144.15	121.50	21,740,085

Note: High and Low are in rupees per traded share. Volume is the total monthly volume of trade in number of IDFC's shares.

12B HIGH, LOW AND VOLUMES OF IDFC'S EQUITY SHARES POST DEMERGER

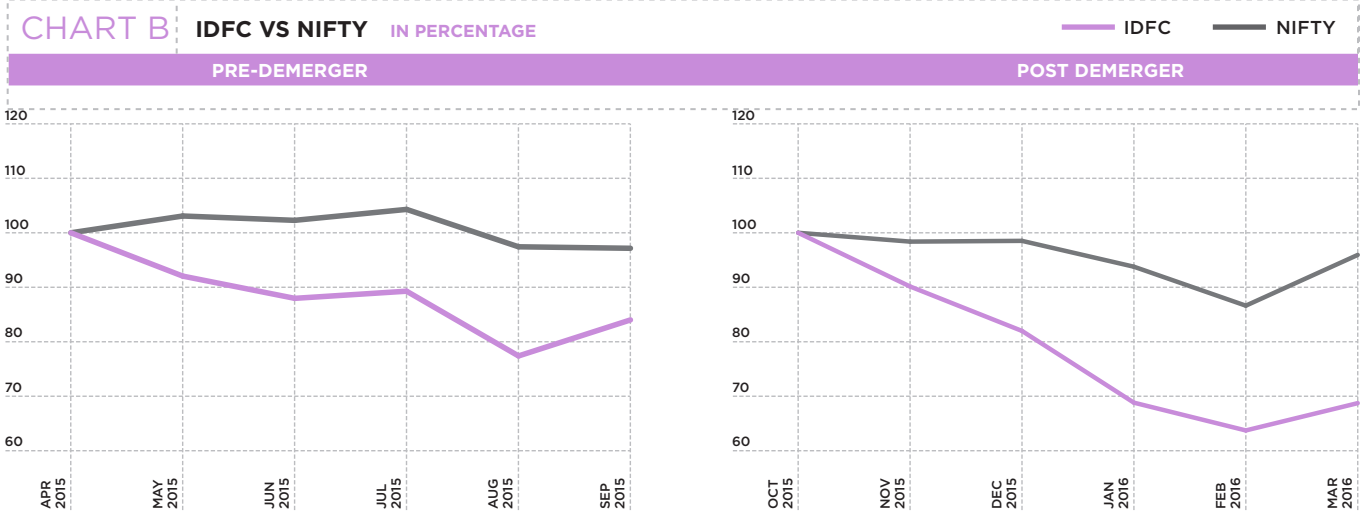
	NSE			BSE		
	HIGH	LOW	VOLUME	HIGH	LOW	VOLUME
October 2015	73.90	58.30	238,481,714	74.90	58.30	38,290,448
November 2015	61.65	51.50	151,609,668	61.65	51.50	15,600,671
December 2015	54.20	44.00	102,698,354	54.10	44.05	12,513,664
January 2016	49.50	38.35	90,115,164	48.90	38.40	15,443,671
February 2016	44.60	34.80	93,867,141	44.40	34.80	16,906,890
March 2016	40.95	37.30	58,882,973	40.90	37.35	11,285,770

Note: High and Low are in rupees per traded share. Volume is the total monthly volume of trade in number of IDFC's shares.

13 IDFC'S DISTRIBUTION OF SHAREHOLDING PATTERN BY SIZE

CATEGORY (SHARES)	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1–5000	490,821	98.69	159,052,809	9.98
5001–10000	3,382	0.68	25,110,141	1.58
10001–20000	1,512	0.30	21,685,307	1.36
20001–30000	436	0.09	10,967,273	0.69
30001–40000	225	0.05	7,996,011	0.50
40001–50000	134	0.03	6,158,536	0.39
50001–100000	308	0.06	22,149,614	1.39
100001 & Above	484	0.10	1,340,900,977	84.11
TOTAL	**497,302**	**100.00**	**1,594,020,668**	**100.00**

CHART B IDFC VS NIFTY IN PERCENTAGE



14 IDFC'S EQUITY SHAREHOLDING PATTERN BY OWNERSHIP

SR. NO.		MARCH 31, 2016		MARCH 31, 2015	
		NO. OF EQUITY SHARES (FACE VALUE OF ₹ 10 EACH)	% OF SHARES	NO. OF EQUITY SHARES (FACE VALUE OF ₹ 10 EACH)	% OF SHARES
PROMOTERS HOLDING					
i.	Promoters	–	–	–	–
	Indian Promoters	–	–	–	–
	Foreign Promoters	–	–	–	–
ii.	Persons acting in concert	–	–	–	–
NON-PROMOTERS HOLDING					
i.	President of India	261,400,000	16.41	261,400,000	16.41
ii.	Banks, Financial institutions, Insurance Companies (Central/ State Government Institutions/ Non-Government Institutions)	61,351,423	3.85	73,601,379	4.62
iii.	Foreign Institutional Investors (FIIs)	729,910,965	45.78	754,628,310	47.40
iv.	Foreign Direct Investment (FDI)	5,151,271	0.32	5,851,271	0.37
v.	Mutual Funds	139,208,295	8.73	137,020,532	8.60
vi.	Private Corporate Bodies	86,794,103	5.44	153,745,975	9.65
vii.	Indian Public	264,143,412	16.57	177,310,615	11.13
viii	NRIs / OCBs / Foreign Nationals	12,853,361	0.81	9,111,146	0.57
ix.	Any other	–	–	–	–
x.	Clearing Members	8,287,710	0.52	4,378,198	0.27
xi.	Trusts	12,925,469	0.81	7,389,281	0.46
xii.	HUFs	11,729,466	0.74	8,344,159	0.52
xiii	NBFCs	265,193	0.02	–	–
GRAND TOTAL		**1,594,020,668**	**100.00**	**1,592,780,866**	**100.00**

15 TOP 10 EQUITY SHAREHOLDERS OF THE COMPANY AS ON MARCH 31, 2016

NAME	SHARES	% TO EQUITY
President of India	261,400,000	16.40%
Sipadan Investments (Mauritius) Limited	151,145,989	9.48%
National Westminster Bank Plc as Depositary of First State Asia Pacific Leaders Fund a sub Fund of First State Investments ICVC	103,927,160	6.52%
Orbis Sicav-Asia Ex-Japan Equity Fund	50,780,947	3.19%
Actis Hawk Limited	37,091,569	2.33%
First State Investments (Hongkong) Limited A/C First State Asian Equity Plus Fund	30,198,843	1.89%
Clsa Global Markets Pte. Ltd.	27,530,245	1.73%
East Bridge Capital Master Fund Limited	25,768,744	1.62%
Mr. Ashish Dhawan	19,999,990	1.25%
Orbis Global Equity Fund Ltd	17,919,198	1.12%

16 DEMATERIALISATION OF SHARES AS ON MARCH 31, 2016

CATEGORY	NO. OF SHARES	%
Physical	31,194	0.002
NSDL	1,510,459,365	94.758
CDSL	83,530,109	5.240
TOTAL	**1,594,020,668**	**100.00**

17 STATUS OF UNCLAIMED DIVIDEND AS ON MARCH 31, 2016

PARTICULARS	UNCLAIMED DIVIDEND (₹)	DATE OF DECLARATION OF THE DIVIDEND	LAST DATE FOR CLAIMING DIVIDEND
2008–09	1,713,808	July 20, 2009	August 23, 2016
2009–10	1,952,780	June 28, 2010	July 31, 2017
2010–11	2,801,672	July 27, 2011	August 29, 2018
2011–12	3,225,212	July 9, 2012	August 12, 2019
2012–13	2,714,374	July 29, 2013	August 29, 2020
2013-14	3,037,542	July 29, 2014	September 2, 2021
2014-15	2,964,710	July 30, 2015	September 3, 2022

INVESTOR CORRESPONDENCE SHOULD BE ADDRESSED TO

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited
(Unit: IDFC Limited)
Karvy Selenium Tower B,
Plot No. 31 & 32 Gachibowli,
Financial District,
Nanakramguda, Serilingampally
Hyderabad 500 032
Tel: +91 40 67162222
Fax: +91 40 23420814
E-mail: einward.ris@karvy.com

THE COMPANY SECRETARY

Naman Chambers,
C-32, G Block,
Bandra–Kurla Complex,
Bandra (East), Mumbai 400 051
Tel: +91 22 4222 2018
Fax: +91 22 2654 0354
E-mail: ketan.kulkarni@idfc.com
Website: www.idfc.com

REGISTERED OFFICE ADDRESS

KRM Tower, 8th Floor,
No. 1 Harrington Road,
Chetpet, Chennai 600 031
Tel: +91 44 4564 4000
Fax: +91 44 4564 4022



CEO & CFO CERTIFICATE

Certification by Chief Executive Officer and Chief Financial Officer of the Company for the Financial Year 2015-16

We, Vikram Limaye, 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 our 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 we 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 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

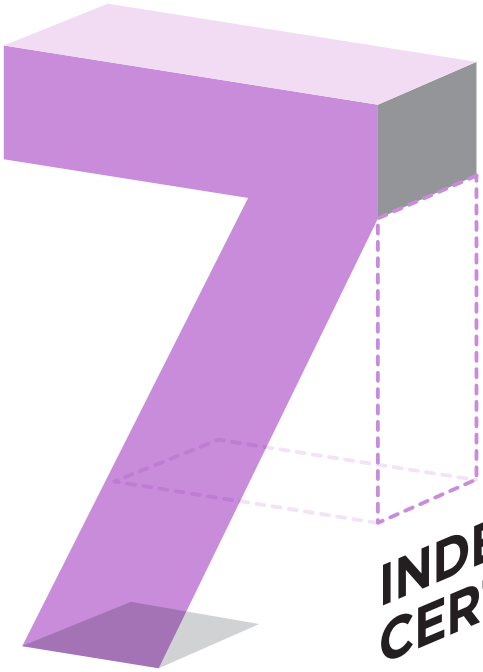
e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any).

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

Vikram Limaye
Managing Director & CEO

Bipin Gemani
Chief Financial Officer

Mumbai
April 26, 2016



INDEPENDENT AUDITORS' CERTIFICATE

TO THE MEMBERS OF IDFC LIMITED

1. We have examined the compliance of conditions of Corporate Governance by IDFC LIMITED (**"the Company"**), for the year ended on March 31, 2016 as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.

5. We 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 DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Kalpesh J. Mehta
(Membership No. 48791)

Mumbai
June 25, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IDFC LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of IDFC LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 1 (c) to the Standalone Financial Statements which describes the demerger of the financial undertaking of the Company, as defined in the Scheme of Arrangement under section 391-394 of the Companies Act, 1956 approved by the Hon'ble Madras High Court vide its order dated June 25, 2015 into IDFC Bank Limited with effect from October 1, 2015.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

    a) 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.

    b) 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

    c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditors' 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:

i. The Company does not have any pending litigations which would impact its financial position

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of IDFC Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control 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.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 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 fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. The Company being a non banking financial company, nothing contained in section 186, except sub-section (1), shall apply.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO is not applicable

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Excise Duty, Custom Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. According to the information and explanations given to us, during the year, there were no dues payable in respect of the employees' state insurance scheme.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty or Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and term loans has been applied by the Company during the year for the purposes for which they were raised other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors, directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

BALANCE SHEET

AS AT MARCH 31, 2016

(₹ IN CRORE)

	NOTES	AS AT MARCH 31, 2016	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	4	1,594.02		1,592.78
(b) Reserves and surplus	5	7,994.71		15,336.74
			9,588.73	16,929.52
Share application money pending allotment	6		5.66	2.22
Non-current liabilities				
(a) Long-term borrowings	7	-		42,918.69
(b) Other long-term liabilities	8	-		355.43
(c) Long-term provisions	9	-		136.82
(d) Deferred tax liability	16	11.16		-
			11.16	43,410.94
Current liabilities				
(a) Short-term borrowings	10	-		12,085.77
(b) Trade 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		9.21		430.71
(c) Other current liabilities	12	2.60		13,135.97
(d) Short-term provisions	13	2.43		524.67
			14.24	26,177.12
TOTAL			9,619.79	86,519.80
ASSETS				
Non-current assets				
(a) Fixed assets				
(i) Tangible assets	14(a)	65.73		357.36
(ii) Intangible assets	14(b)	-		1.79
(iii) Intangible assets under development		-		13.69
			65.73	372.84
(b) Non-current investments	15		8,959.80	15,879.98
(c) Deferred tax assets (net)	16		-	745.70
(d) Long-term loans and advances				
(i) Loans	17	-		47,172.47
(ii) Others	18	0.75		561.59
			0.75	47,734.06
(e) Other non-current assets	19		-	207.83
			9,026.28	64,940.41
Current assets				
(a) Current investments	20		269.38	14,606.91
(b) Trade receivables	21		3.02	26.08
(c) Cash and bank balances	22		226.64	181.35
(d) Short-term loans and advances				
(i) Loans	17	-		5,254.16
(ii) Others	18	92.79		492.00
			92.79	5,746.16
(e) Other current assets	19		1.68	1,018.89
			593.51	21,579.39
TOTAL			9,619.79	86,519.80

See accompanying notes forming part of the financial statements (see notes 1 to 48)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

P.R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

For and on behalf of the Board of Directors of
IDFC Limited

Vinod Rai
Non-Executive Chairman

Bipin Gemani
Chief Financial Officer

Vikram Limaye
Managing Director & CEO

Ketan Kulkarni
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

(₹ IN CRORE)

		NOTES	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
A	**CONTINUING OPERATIONS**			
I	**INCOME**			
	Revenue from operations	23	224.13	98.56
	Other income	24	1.75	1.00
	TOTAL INCOME (I)		225.88	99.56
II	**EXPENSES**			
	Employee benefits expense	25	9.87	5.67
	Provisions and contingencies	26	40.71	21.00
	Other expenses	27	6.09	5.39
	Depreciation and amortisation expense	14(a),(b) & 40	4.96	(31.65)
	TOTAL EXPENSES (II)		61.63	0.41
III	**PROFIT BEFORE TAX (I - II)**		164.25	99.15
IV	**TAX EXPENSE**			
	Current tax		14.29	33.95
	Deferred tax	16 & 28	8.26	(1.80)
	TOTAL TAX EXPENSE (IV)		22.55	32.15
V	**PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS (III-IV)**		141.70	67.00
B	**DISCONTINUING OPERATIONS**	28		
VI	**PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS BEFORE TAX**		(1,969.49)	2,094.01
VII	**TAX EXPENSE OF DISCONTINUING OPERATIONS**			
	Current Tax		379.55	874.04
	Deferred Tax		(1,044.96)	(289.01)
	Tax adjustment for prior years		(0.24)	(109.51)
	TOTAL TAX EXPENSE (VII)		(665.65)	475.52
VIII	**PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS (VI-VII)**		(1,303.84)	1,618.49
C	**TOTAL OPERATIONS**			
IX	**PROFIT / (LOSS) FOR THE YEAR (V+VIII)**		(1,162.14)	1,685.49
X	**EARNINGS PER EQUITY SHARE (NOMINAL VALUE OF SHARE ₹ 10 EACH)**	36		
	(a) Basic (₹)			
	(i) Continuing operations		0.89	0.43
	(ii) Total operations		(7.29)	10.83
	(b) Diluted (₹)			
	(i) Continuing operations		0.89	0.43
	(ii) Total operations		(7.29)	10.77

See accompanying notes forming part of the financial statements (see notes 1 to 48)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

P.R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

For and on behalf of the Board of Directors of
IDFC Limited

Vinod Rai
Non-Executive Chairman

Bipin Gemani
Chief Financial Officer

Vikram Limaye
Managing Director & CEO

Ketan Kulkarni
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(₹ IN CRORE)

	NOTES	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
I CASH FLOW FROM CONTINUING OPERATIONS				
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax			164.25	2,193.16
Adjustments for:				
Depreciation and amortisation expense	14(a)&(b)	4.96		(60.77)
Provision for employee benefits		-		(0.14)
Provisions and contingencies (excluding bad debts written off)	26	(53.07)		1,018.55
Interest expense		-		5,385.67
Interest income	23	(3.01)		(8,031.09)
Provision utilised against non-performing loans / other receivables		-		(102.97)
Unrealised loss on foreign currency revaluation		-		523.27
Profit on sale of investments in group companies	24	(1.75)		(1.00)
Profit on sale of other investments (net)	23	(17.90)		(900.14)
Amortisation of premium on long term investments		-		9.96
Profit on sale of fixed assets (net)		-		(1.28)
Interest paid		-		(5,063.44)
Interest received		1.33		8,146.47
			(69.44)	923.09
Operating profit before working capital changes			94.81	3,116.25
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets				
Trade receivables		(0.73)		114.98
Long-term loans and advances		0.75		(54.97)
Short-term loans and advances		822.28		(70.90)
Other non-current assets		-		22.85
Other current assets		ß		(33.42)
Adjustments for increase / (decrease) in operating liabilities				
Trade payables		3.46		120.43
Other long-term liabilities		-		(10.63)
Other current liabilities		0.83		(15.39)
			826.59	72.95
Direct taxes paid			(16.71)	(865.75)
CASH GENERATED FROM OPERATIONS			904.69	2,323.45
Loans disbursed / repaid (net)			-	4,952.95
NET CASH GENERATED FROM OPERATING ACTIVITIES			904.69	7,276.40

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(₹ IN CRORE)

	NOTES	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (including intangible assets under development)			(0.24)	(38.00)
Sale of fixed assets			-	5.78
Investments in subsidiaries			(45.00)	(340.05)
Purchase of other investments			(1,938.71)	(699,620.91)
Sale proceeds of investments in subsidiaries			22.75	976.87
Sale proceeds of other investments			1,573.45	680,746.92
NET CASH USED IN INVESTING ACTIVITIES			(387.75)	(18,269.39)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from fresh issue of shares (net of issue expenses)			18.93	1,021.00
Proceeds from borrowings			-	2,952,181.88
Repayment of borrowings			-	(2,941,820.33)
Dividend paid (including dividend distribution tax)			(458.06)	(446.58)
NET CASH GENERATED / (USED IN) FROM FINANCING ACTIVITIES			(439.13)	10,935.97
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)			77.81	(57.02)
II CASH FLOW FROM DISCONTINUING OPERATIONS :				
i. NET CASH GENERATED FROM OPERATING ACTIVITIES			8,608.30	-
ii. NET CASH GENERATED FROM INVESTING ACTIVITIES			2,221.89	-
iii. NET CASH USED IN FINANCING ACTIVITIES			(9,530.81)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (i+ii+iii)			1,299.38	-
Net increase / (decrease) in cash and cash equivalents (I+II)			1,377.20	(57.02)
Less: Transferred pursuant to demerger of Financing Undertaking			(1,291.48)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (NET OF TRANSFER ON DEMERGER)			85.72	(57.02)
Cash and cash equivalents as at the beginning of the year	22		139.08	196.10
Cash and cash equivalents as at the end of the year	22		224.80	139.08
			85.72	(57.02)

See accompanying notes forming part of the financial statements (see note 1 to 48)

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

P.R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

For and on behalf of the Board of Directors of
IDFC Limited

Vinod Rai
Non-Executive Chairman

Bipin Gemani
Chief Financial Officer

Vikram Limaye
Managing Director & CEO

Ketan Kulkarni
Company Secretary

01 CORPORATE INFORMATION

A. IDFC Limited ('the Company') is a public company incorporated in India and is a Non Banking Finance Company (NBFC) regulated by the Reserve Bank of India ('RBI'). It was operating as an Infrastructure Finance Company, i.e. financing infrastructure projects in sectors like energy, telecommunication, transportation, commercial and industrial projects including hospital, education, tourism and hotels upto September 30, 2015. 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 Company.

B. In addition, as required under the Guidelines for Licensing of New Banks in the Private Sector issued by RBI on February 22, 2013, the Non Operative Financial Holding Company shall hold investment in the Bank as well as all other Financial Services entities of the group regulated by RBI or other Financial Sector regulators. Accordingly, IDFC Limited has transferred its entire investments in all regulated subsidiaries, i.e. IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC Infra Debt Fund Limited, IDFC Securities Limited & IDFC Trustee Company Limited to its wholly owned subsidiary, IDFC Financial Holding Company Limited ('IDFC FHCL') for consideration received in cash.

C. DEMERGER OF FINANCING UNDERTAKING

Pursuant to the filing and approval of the Scheme of Arrangement u/s. 391-394 of the Companies Act, 1956 ('Scheme of Arrangement') between IDFC Limited ('Transferor Company') and IDFC Bank Limited ('Transferee Company') and their respective shareholders and creditors, by the Hon'ble Madras High Court vide its order dated June 25,2015 and on fulfillment of all conditions specified under the Scheme of Arrangement and on receipt of final banking license from the Reserve Bank of India by IDFC Bank Limited, the Financing Undertaking of the Transferor Company was transferred at the book value to the Transferee Company with effect from October 1, 2015. Accordingly, assets aggregating to ₹ 66,237.46 crore and liabilities aggregating to ₹ 60,002.90 crore, resulting in net assets of ₹ 6,234.56 crore along with contingent liabilities of ₹ 285.63 crore, capital commitment of ₹ 840.05 crore and notional principal of derivative contracts of ₹ 13,903.57 crore pertaining to the Financing Undertaking were transferred from Transferor Company to Transferee Company.

The Financing Undertaking as defined under the Scheme of Arrangement included all outstanding loans and deposits, borrowings, investments, current assets, sundry debtors, all debts, liabilities including contingent liabilities, licenses, approvals, tax credit, properties - movable and immovable, plant and machinery, furniture and fixtures, office equipment, software and licenses, insurance, policies, all contracts, agreements, collateral, all staff and employees employed in connection with Financing Undertaking etc.

In consideration, the Transferee Company issued equity shares of Face value ₹ 10 each in the ratio of 1:1 to the shareholders of Transferor Company on the record date as determined by the Board of Directors. The Company through its wholly owned subsidiary, IDFC FHCL, has invested ₹ 7,030.07 crore resulting in effective equity holding of 53% in IDFC Bank Limited.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement;

(i) The credit balance in the debenture redemption reserve is transferred and credited to general reserve.

(ii) The Company has reduced the book value of assets (net of diminution/depreciation, if any) and liabilities relating to the Financing Undertaking transferred to IDFC Bank Limited.

(iii) The excess of book value of the assets transferred (net of diminution/depreciation, if any) over the book value of the liabilities of the Financing Undertaking transferred to the transferee company, is debited proportionately to Reserves and Surplus (including the Securities Premium Account) other than statutory reserves created under Section 45IC of the Reserve Bank of India Act, 1934, under section 36(1)(viii) of the Income tax Act, 1961 and the stock option outstanding reserve as described in (iv) below. Accordingly, adjustments are made in Securities Premium Account ₹ 3,701.31 crore, General Reserve ₹ 918.87 crore, Statement of Profit and Loss account of ₹ 1,607.80 crore and Stock Option Outstanding Account of ₹ 6.56 crore on demerger of Financing Undertaking of IDFC Limited into IDFC Bank Limited.

Details of net assets transferred on demerger of Financing Undertaking of IDFC Limited are as under:

	(₹ IN CRORE)
Cash and bank balances	2.55
Balances with banks and money at call and short notice	1,190.07
Investments	18,464.25
Advances	41,936.63
Fixed assets	535.16
Other assets	4,108.80
	66,237.46
Less: Borrowings	56,720.74
Other liabilities and provisions	3,282.16
	60,002.90
Net Assets	6,234.56

(iv) Stock option outstanding reserve is reduced in the proportion of the net book value of the Financing Undertaking to the net worth of Transferor Company.

02 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified Under Section 133 of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on the accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless stated otherwise.

03 SIGNIFICANT ACCOUNTING POLICIES

A. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of the Cash Flow Statement comprises cash on hand, cash in bank, fixed deposits and other short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

C. CASH FLOW STATEMENT

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Company are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

D. INVESTMENTS

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the 2013 Act"). Current investments also include current maturities of long-term investments and also current portion of long-term investments. All other investments are classified as long-term investments.

The Company follows trade date method of accounting for recording of purchase and sale of investments. All investments are initially recorded at cost. The cost of an investment includes purchase price, directly attributable acquisition charges and reduced by recovery of costs, if any. On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Current investments are valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, being unrealised gain is ignored, while net depreciation is provided for. Commercial papers, certificate of deposits and treasury bills are valued at carrying cost. Long-term investments are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis against long-term investments. Premium paid over the face value of long-term investment is amortised over the life of the investment on straight line method.

Inter-class transfer of investments from one category to the other, if any, is done in accordance with the RBI guidelines at the lower of book value and fair value / market value on the date of transfer.

E. REPURCHASE AND RESALE TRANSACTIONS (REPO)

Repo transactions are treated as collateralised lending and borrowing transactions, with an agreement to repurchase, on the agreed terms, as per the RBI guidelines and accordingly disclosed in the financial statements. The difference between consideration amounts of the first leg and second leg of the repo are reckoned as repo interest. As regards repo / reverse repo transactions outstanding on the balance sheet date, only the accrued expenditure / income till the Balance Sheet date is taken to the Statement of Profit and Loss. Any repo expenditure / income for the remaining period is reckoned in the next accounting period. The securities sold under repo transactions are continued to be marked-to-market as per the investment classification of the security.

F. LOANS

In accordance with the RBI guidelines, all loans are classified under any of four categories i.e. (i) standard assets (ii) sub-standard assets (iii) doubtful assets and (iv) loss assets.

G. TANGIBLE FIXED ASSETS

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation. Profit or loss arising from derecognition of fixed assets are measured as difference between the net

disposal proceeds and the cost of the assets less accumulated depreciation upto the date of disposal and are recognised in the Statement of Profit and Loss.

H. DEPRECIATION ON TANGIBLE FIXED ASSETS (SEE NOTE 40)

Depreciation on tangible fixed assets is provided on the straight line method, as per the useful life 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 phones b) Motor Cars. 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. Depreciation in respect of leasehold improvements is provided on a straight - line method over the extended period of the lease.

I. INTANGIBLE ASSETS AND AMORTISATION

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 charged annually to the Statement of Profit and Loss. Intangible assets are being amortised over the estimated useful life of the asset on a straight-line method. The estimated useful life of the intangible assets and amortisation period are reviewed at the end of each financial year.

J. IMPAIRMENT OF ASSETS

The carrying amount of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor. If at the Balance sheet date, there is a indication that previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of the depreciable historical cost and reversal of such impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

K. EXPENSE UNDER EMPLOYEE STOCK OPTION SCHEMES

The Company has formulated Employee Stock Option Schemes 2007 ('ESOS 2007') in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('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. In accordance with the Guidelines and the Guidance Note on 'Accounting for Employees Share-based Payments' issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price on the day prior to the date of grant of the stock options under the ESOS over the exercise price is amortised on a straight-line method over the vesting period and is charged to the Statement of Profit and Loss as employee benefits expense. In case the vested stock options expires unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed / cancelled, the balance in stock option outstanding account is transferred to Statement of Profit and Loss.
In addition, against each outstanding employee stock options granted by IDFC Limited to its employees, equivalent options of IDFC Bank Limited were granted under the Scheme of Arrangement. The price of these options were determined by multiplying the existing grant price of the options granted by IDFC Limited to its employees under the IDFC Limited Employee Stock Option Scheme by the proportion that the net worth of the Financing Undertaking bears to the total net book value of IDFC Limited, immediately prior to the effectiveness of the Scheme of Arrangement.

L. EMPLOYEE BENEFITS

- Defined contribution plans

  The Company's 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 and when services are rendered by the employees.

- Defined benefit plan

  The net present value of the Company's obligation towards gratuity to employees is funded and actuarially determined as at the Balance Sheet date based on the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the year.

- Compensated absences

  Based on the leave rules of the Company, 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.

M. BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over

the tenure of the loan. Ancillary costs in connection with long-term external commercial borrowings are amortised to the Statement of Profit and Loss over the tenure of the loan.

N. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognised:

- Interest is accounted on accrual basis except in the case of non-performing loans and identified advances*, where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.
- Income on discounted instruments is recognised over the tenure of the instrument on a straight-line method.
- Dividend is accounted when the right to receive is established.
- Front end fees on processing of loans are recognised upfront as income.
- Underwriting commission earned to the extent not reduced from the cost of acquisition of securities is recognised as fees on closure of issue.
- All other fees and charges are recognised when reasonable right of recovery is established, revenue can be reliably measured and as and when they become due except guarantee commission which is recognised pro-rata over the period of the guarantee.
- Premium on interest rate reduction is accounted on accrual basis over the residual life of the loan.
- Profit / loss on sale of investments is recognised on trade date basis. Profit / loss on sale of investments is determined based on the 'first in first out' cost for current investments and weighted average cost for long-term investments.
- Profit on sale of loan assets through direct assignment / securitisation is recognised over the residual life of the loan / pass through certificate in terms of the RBI guidelines. Loss arising on account of direct assignment / securitisation is recognised upfront on sale in the Statement of Profit and Loss.
- Revenue from power supply is recognised when reasonable right of recovery is established.
- Income from trading in derivatives is recognised on final settlement or squaring up of the contracts.

*Identified advances are specific advances in infrastructure sector that are not NPAs which has possible risk of slippage.

O. SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing up-to September 30, 2015 w.e.f. October 1, 2015 post demerger of Financing Undertaking into IDFC Bank Limited, the Company's principal business is investing. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

P. LEASES

Where the Company is lessee

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight - line method over the lease term in accordance with Accounting Standard 19 on 'Leases' as specified under section 133 of the Companies Act, 2013 ("the 2013 Act"). Initial direct costs incurred specifically for operating leases are recognised as expense in the year in which they are incurred.

Where the Company is lessor

Leases under which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income in respect of operating leases is recognised in the Statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases' as specified under section 133 of the Companies Act, 2013 ("the 2013 Act"). Maintenance costs including depreciation are recognised as an expense in the Statement of Profit and Loss.

Q. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year.

R. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income - tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the Balance Sheet date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

Since the Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income-tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus a permanent difference. Accordingly, no deferred tax liability has been created in books of account, towards the same.

S. DERIVATIVE CONTRACTS

Interest rate swaps

Interest rate swaps are booked with the objective of managing the interest rate risk on liabilities. Interest rate swaps in the nature of hedge are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of the hedge swaps is amortised over the life of the swap or underlying liability, whichever is shorter.

Currency Interest rate swaps

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of hedge swaps is amortised over the life of swap or underlying liability, whichever is shorter. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the Balance Sheet date are revalued using the closing rate.

Stock Futures

- Stock Futures are marked-to-market on a daily basis. The debit or credit balance in the 'Mark-to-market margin – stock futures account' disclosed under loans and advances or current liabilities represents the net amount paid or received on the basis of the movement in the prices of stock futures till the Balance Sheet date.
- Credit balance in the 'Mark-to-market margin – stock futures account' in the nature of anticipated profit is ignored and no credit is taken to the Statement of Profit and Loss. However, the debit balance in the 'Mark-to-market margin – stock futures account' in the nature of anticipated loss is recognised in the Statement of Profit and Loss.
- On final settlement or squaring-up of contracts for stock futures, the profit or loss is calculated as the difference between the settlement / squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled / squared-up contract in 'Mark-to-market margin – stock futures account' is recognised in the Statement of Profit and Loss upon expiry of the contracts. When more than one contract in respect of the relevant series of stock futures contract, to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of such contract is determined using the weighted average method for calculating profit/loss on squaring-up.
- 'Initial margin account – stock futures' representing initial margin paid is disclosed under loans and advances.

T. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Foreign currency transactions are accounted at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gain or loss resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss. Premium in respect of forward contracts is accounted over the period of the contract. Forward contracts outstanding as at the Balance Sheet date are revalued at the closing rate.

U. PROVISIONS AND CONTINGENCIES

Provision against loans and advances

- Contingent provision against standard assets is made at 0.40% of the outstanding standard assets in accordance with the RBI guidelines.
- In addition to above, the Company maintains a general provision as Provision for Contingencies in accordance with the provisioning policy of the Company and additional provision based on the assessment of portfolio including provision against identified advances that qualifies for deduction under Section 36(1)(viia) of the Income-tax Act, 1961.
- In addition to the minimum provisioning level prescribed by the RBI, IDFC Limited on a prudent basis made provisions on specific advances that are not NPAs ('Identified advances') but had reason to believe risk of possible slippages on the basis of the extant environment or specific information or current pattern of servicing. These provisions being specific in nature are netted off from gross advances.

- In January 2014, the RBI has issued guidelines on Restructuring of Advances applicable to Non Banking Finance Companies. As per the guidelines, a provision is required on standard accounts restructured prior to January 24, 2014 at 2.75 % from March 31, 2014, and would further increase to 3.50% from March 31, 2015, 4.25% from March 31, 2016 and 5.00% from March 31, 2017. Restructuring of standard accounts subsequent to January 23, 2014 would attract a provision at 5.00%. The Company has complied with the aforesaid guidelines and on prudent basis a provision at 5.00% has been made on all outstanding restructured accounts in addition to the provision against diminution in fair value of restructured advances. Unrealised income represented by Funded Interest Term Loan ('FITL') on standard accounts restructured after January 23, 2014 are fully provided and such provision against FITL will be reversed on repayment of FITL.

Other provisions

- A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed separately. Contingent assets are not recognised in the financial statements.

V. SECURITIES ISSUE EXPENSES

Issue expenses of certain securities and redemption premium are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account.

W. SERVICE TAX INPUT CREDIT

Service tax input credit is accounted in the period in which the underlying services are received and when there is no uncertainty in availing / utilising the credit.

X. OPERATING CYCLE

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

04 SHARE CAPITAL

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
AUTHORISED				
Equity shares of ₹ 10 each	4,000,000,000	4,000	4,000,000,000	4,000
Preference shares of ₹ 100 each	100,000,000	1,000	100,000,000	1,000
		5,000		5,000
ISSUED, SUBSCRIBED & FULLY PAID-UP				
Equity shares of ₹ 10 each	1,594,020,668	1,594.02	1,592,780,866	1,592.78
Total issued, subscribed and fully paid-up share capital		1,594.02		1,592.78

(a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
EQUITY SHARES	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
Outstanding as at the beginning of the year	1,592,780,866	1,592.78	1,516,286,251	1,516.29
Issued during the year under QIP issue [see note (e)]	-	-	73,000,000	73.00
Issued during the year - stock options exercised under the ESOS [see note (f)]	1,239,802	1.24	3,494,615	3.49
Outstanding as at the end of the year	1,594,020,668	1,594.02	1,592,780,866	1,592.78

(b) Terms / 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 and ranks *pari passu*. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting. During the year ended March 31, 2016 dividend of ₹ Nil per share (Previous Year ₹ 2.60 per share) is recognised as amount distributable to equity shareholders.
- 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.

(c) Details of shareholders holding more than 5% of the shares in the Company

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
EQUITY SHARES	NUMBER	% OF HOLDING	NUMBER	% OF HOLDING
President of India	261,400,000	16.40	261,400,000	16.41
Sipadan Investments (Mauritius) Limited	151,145,989	9.48	151,145,989	9.49
National Westminster Bank PLC	103,927,160	6.52	-	-

(d) Shares reserved for issue under stock options
Refer to note (f) for details of shares reserved for issue under the ESOS of the Company.

(e) The Company in the previous year had allotted 73,000,000 equity shares of ₹ 10 each at a premium of ₹ 127 per share on September 16, 2014 pursuant to a Qualified Institutions Placement (QIP) under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(f) Movement in stock options granted under the ESOS is as under:

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
	NUMBER	NUMBER
Outstanding as at beginning of the year	31,485,043	32,889,410
Add: Granted during the year	12,898,500	3,300,000
Less: Exercised during the year [see note (a)]	1,239,802	3,494,615
Less: Lapsed / forfeited during the year	3,564,400	1,209,752
Outstanding as at the end of the year	39,579,341	31,485,043

05 RESERVES AND SURPLUS

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(A) SECURITIES PREMIUM ACCOUNT		
Opening balance	6,186.11	5,237.24
Add: premium on issue of equity shares under QIP issue [see note 4(e)]	-	927.10
Add: premium on exercise of stock options under the ESOS	15.18	34.46
Less: premium utilised during the year (see note below)	-	12.69
Less: Adjusted pursuant to Scheme of Arrangement [see note 1(c)]	3,701.31	-
Closing balance	2,499.98	6,186.11

Share issue expenses amounting to ₹ Nil (Previous Year ₹ 12.69 crore) on account of capital raising under the QIP issue have been utilised against the Securities Premium Account in accordance with Section 52 of the Companies Act, 2013.

(B) STOCK OPTIONS OUTSTANDING		
Opening balance	18.23	25.40
Less: Transferred to general reserve [see note 5(f)]	3.68	0.71
Less: Stock options exercised	0.95	6.46
Less: Adjusted pursuant to Scheme of Arrangement [see note 1(c)]	6.56	-
Closing balance	7.04	18.23
(C) DEBENTURE REDEMPTION RESERVE		
Opening balance	739.50	541.60
Add : Transfer from surplus in the Statement of Profit and Loss [see note below & 5(g)]	-	197.90
Less : Transfer to general reserve [see note 5(f) & 1(c)]	(739.50)	-
Closing balance	-	739.50

Debenture redemption reserve has been created in accordance with Section 71 (4) of the Companies Act, 2013 in respect of the public issues of long-term Infrastructure Bonds. The Company created Debenture Redemption Reserve (DRR) upto 25% of the value of debentures issued through public issue plus accrued interest thereon over the expected life of such debentures in accordance with Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules 2014. The Company is not required to create DRR in respect of privately placed debentures under the Rules. During the current year, debenture redemption reserve has not been created as long term infrastructure bonds have been transferred to IDFC Bank Limited upon demerger of Financing undertaking and as provided in the Scheme of Arrangement entire Debenture Redemption Reserve amount has been transferred to General Reserve. [see note 1(c)]

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(D) SPECIAL RESERVE U/S. 36(1)(VIII) OF THE INCOME-TAX ACT, 1961 [see note 3(r)]		
Opening balance	2,853.25	2,373.25
Add: Transfer from surplus in the Statement of Profit and Loss [see note 5(g)]	200.00	480.00
Closing balance	3,053.25	2,853.25
(E) SPECIAL RESERVE U/S. 45-IC OF THE RBI ACT, 1934		
Opening balance	2,550.60	2,208.60
Add: Transfer from surplus in the Statement of Profit and Loss [see note 5(g)]	-	342.00
Less: Transfer to surplus in the Statement of Profit and Loss [see note 5(g) & 28]	(1,634.80)	-
Closing balance	915.80	2,550.60
(F) GENERAL RESERVE		
Opening balance	799.85	799.14
Add: Transfer from Debenture redemption reserve [see note 5(c)]	739.50	-
Add: Transfer from stock options outstanding [see note 5(b)]	3.68	0.71
Less: Adjusted pursuant to Scheme of Arrangement [see note 1(c)(i)]	(918.87)	-
Closing balance	624.16	799.85

(₹ IN CRORE)

		AS AT MARCH 31, 2016		AS AT MARCH 31, 2015
(G) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS				
Opening balance		2,189.20		2,007.43
Profit/(loss) for the year		(1,162.14)		1,685.49
Add: Transfer from reserves:				
Special reserve u/s. 45-IC of the RBI Act, 1934 [see note 5(e) & 28]		1,634.80		-
		2,661.86		3,692.92
Less: Appropriations				
Transfer to reserves:				
Debenture redemption reserve [see note 5(c)]	-		197.90	
Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [see note 5(d)]	200.00		480.00	
Special reserve u/s. 45-IC of the RBI Act, 1934 [see note (iii) & 5(e)]	-		342.00	
Adjusted pursuant to Scheme of Arrangement [see note 1(c)]	1,607.80		-	
Dividend & dividend distribution tax:				
Proposed dividend on equity shares [₹ Nil per share (Previous Year ₹ 2.60 per share)]	-		414.17	
Dividend on equity shares pertaining to previous year [see note (i)]	0.25		0.14	
Tax on proposed equity dividend [see note (ii)]	-		84.31	
Tax on equity dividend for previous year [see note (i) & (ii)]	(40.67)		(14.80)	
Total appropriations		1,767.38		1,503.72
Closing balance		894.48		2,189.20
TOTAL RESERVES AND SURPLUS		7,994.71		15,336.74

(i) In respect of equity shares issued pursuant to exercise of stock options under the ESOS, the Company paid dividend of ₹ 0.25 crore for the year 2014-15 (Previous Year ₹ 0.14 crore for the year 2013-14) as approved by the shareholders at the respective Annual General Meetings and tax on dividend of ₹ 0.05 crore (Previous Year ₹ 0.02 crore) as approved by the shareholders at the respective Annual General Meetings.

(ii) Tax on dividend is net of dividend distribution tax of ₹ 40.67 crore (Previous Year ₹ 14.80 crore) paid by the subsidiary companies during financial year 2015-16 under Section 115-O of the Income-tax Act, 1961 and eligible for computing net liability towards dividend distribution tax.

(iii) No appropriation was made under section 45-IC of the RBI Act for the year ended March 31, 2016 as the Company has made losses for the year ended March 2016.

06 SHARE APPLICATION MONEY PENDING ALLOTMENT

Share application money pending allotment represents applications received from employees on exercise of stock options granted and vested under the ESOS.

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
Equity shares of face value ₹ 10 each proposed to be issued	1,874,416	1.87	164,175	0.16
Total amount of securities premium		3.79		2.06
TOTAL		5.66		2.22

The equity shares are expected to be allotted against the share application money within a reasonable period, not later than three months from the Balance Sheet date.

07 LONG-TERM BORROWINGS (SECURED) [see note (a)]

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
DEBENTURES & BONDS (NON CONVERTIBLE) [see note (d)]				
Face value	-	-	32,535.08	8,941.36
Less: Unexpired discount on zero percent debentures & bonds [see note (c)]	-	-	227.35	16.70
	-	-	32,307.73	8,924.66
TERM LOANS				
From banks [see note (e)]	-	-	2,325.00	780.74
From others [see note (f)]	-	-	840.75	7.59
	-	-	3,165.75	788.33
EXTERNAL COMMERCIAL BORROWINGS				
From banks [see note (g)]	-	-	5,244.90	1,376.98
From others [see note (h)]	-	-	2,200.31	157.10
	-	-	7,445.21	1,534.08
Amount disclosed under 'other current liabilities' (see note 12)	-	-	-	(11,247.07)
TOTAL LONG-TERM BORROWINGS	-	-	42,918.69	-

(a) Borrowings of ₹ Nil (Previous Year ₹ 54,165.76 crore) were secured by way of a first floating *pari passu* charge over investments, other assets, trade receivables, cash and bank balances and loans & advances excluding investments in and other receivables from subsidiaries and affiliates and lien marked assets.

(b) In terms of the RBI circular (Ref. No. DNBR (PD) CC No.043/03.10.119/2015-16 dated July 1, 2015) no borrowings remained overdue as on March 31, 2015.

(c) Unexpired discount is net of ₹ Nil (Previous Year ₹ 236.86 crore) towards interest accrued but not due.

(d) Interest and repayment terms of long-term borrowings - debentures and bonds (non convertible) (secured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Fixed Rate				
Above 5 years	-	-	18,853.52	7.75 - 9.68
3-5 years	-	-	4,540.73	8.34 - 9.68
1-3 years	-	-	9,100.83	7.98 - 9.57
Floating Rate				
1-3 years	-	-	40.00	MIBOR+150 bps
TOTAL	-		32,535.08	

(e) Interest and repayment terms of long-term loans from banks (secured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Floating Rate				
1-3 years	-	-	2,325.00	Bank Base rate
TOTAL	-		2,325.00	

(f) Interest and repayment terms of long-term loans from others (secured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Fixed Rate				
Above 5 years	-	-	102.67	2.00
3-5 Years	-	-	52.16	2.00
1-3 Years	-	-	42.92	2.00
Floating Rate				
3-5 Years	-	-	643.00	Base rate
TOTAL	-		840.75	

(g) Interest and repayment terms of external commercial borrowings from banks (secured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Floating Rate				
3-5 years	-	-	2,816.55	USD 6M LIBOR + 185 to 213 bps
1-3 years	-	-	237.70	3M BBSY + 270.00
1-3 years	-	-	2,190.65	USD 6M LIBOR + 150 to 275 bps
TOTAL	-		5,244.90	

(h) Interest and repayment terms of external commercial borrowings from others (secured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Floating Rate				
Above 5 years	-	-	51.55	USD 6M LIBOR + 235 bps
Above 5 years	-	-	1,251.80	USD 3M LIBOR + 225 bps
Above 5 years	-	-	231.20	INBMK + 183.50 bps
3-5 years	-	-	115.60	INBMK + 183.50 bps
3-5 years	-	-	312.95	USD 3M LIBOR + 225 bps
3-5 years	-	-	51.54	USD 6M LIBOR + 235 bps
1-3 years	-	-	185.67	USD 6M LIBOR + 60.20 to 235 bps
TOTAL	-		2,200.31	

08 OTHER LONG-TERM LIABILITIES

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Lease equalisation (see note 35)	-	0.78
Interest accrued but not due on borrowings	-	345.71
Payables against derivative contracts	-	8.94
TOTAL	-	355.43

09 LONG-TERM PROVISIONS

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Contingent provision against standard assets [see note (a) & (b)]	-	136.82
TOTAL	-	136.82

(a) A contingent provision against standard assets has been created at 0.40% of the outstanding standard assets in terms of the RBI circular (Ref. No. DNBR (PD) CC No.043/03.10.119/2015-16 dated July 1, 2015).

(b) Movement in contingent provision against standard assets during the year is as under:

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Opening balance	136.82	150.41
Additions/(deductions) during the year [see note 26]	65.70	(13.59)
Adjusted pursuant to the Scheme of Arrangement	(202.52)	-
Closing balance	-	136.82

10 SHORT-TERM BORROWINGS

(₹ IN CRORE)

		AS AT MARCH 31, 2016		AS AT MARCH 31, 2015
Term loans (secured) [see note (a)]				
From banks		-		100.00
Collateralised borrowings and lending obligations (CBLO) (secured) [see note (b)]		-		6,985.03
Repurchase Agreement (REPO) (secured) [see note (c)]		-		4,505.34
Commercial papers (unsecured)				
Face value	-		500.00	
Less: Unexpired discount [see note (d)]	-		4.60	
		-		495.40
TOTAL SHORT-TERM BORROWINGS		-		12,085.77
The above amount includes:				
Secured borrowings [see note a, b & c]		-		11,590.37
Unsecured borrowings		-		495.40
TOTAL SHORT-TERM BORROWINGS		-		12,085.77

(a) Borrowings of ₹ Nil (Previous Year ₹ 100.00 crore) were secured by way of a first floating *pari passu* charge over investments, other assets, trade receivables, cash and bank balances and loans and advances excluding investments in and other receivables from subsidiaries and affiliates and lien marked assets.

(b) Borrowings under CBLO were secured against investments in government securities and treasury bills of ₹ Nil (Previous Year ₹ 11,151.12 crore at book value).

(c) Borrowings under REPO were secured by assignment of government securities and treasury bills of ₹ Nil (Previous Year ₹ 4,443.62 crore at book value).

(d) Unexpired discount on commercial papers is net of ₹ Nil (Previous Year ₹ 4.39 crore) towards interest accrued but not due.

(e) In terms of the RBI circular (Ref. No. DNBR (PD) CC No.043/03.10.119/2015-16 dated July 1, 2015) no borrowings remained overdue as on March 31, 2015.

11 TRADE PAYABLES

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(i) total outstanding dues of micro enterprises and small enterprises (see note 39)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
Payables against derivative contracts	-	205.43
Payables against purchase of investments	-	85.70
Other trade payables	2.64	6.49
Provision for expenses	6.57	133.09
TOTAL	9.21	430.71

12 OTHER CURRENT LIABILITIES

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Current maturities of long-term borrowings (see note 7)	-	11,247.07
Interest accrued but not due on borrowings	-	1,852.65
Income and other amounts received in advance	0.07	10.37
Unclaimed dividend [see note (a)]	1.84	1.78
Unclaimed interest [see note (a)]	-	17.99
Security deposit	-	3.59
Lease equalisation [see note 35]	-	0.25
Other payables		
Payable to gratuity fund [see note 32 & (b)]	0.04	-
Statutory dues	0.61	1.54
Other liabilities	0.04	0.73
TOTAL	2.60	13,135.97

(a) No amount of unclaimed dividend and unclaimed interest was due for transfer to the Investor Education and Protection Fund under Section 25 of the Companies Act, 2013 as at the Balance Sheet date.

(b) Payable to gratuity fund is net of amount receivable from gratuity fund of ₹ 0.01 crore (Previous Year ₹ Nil)

13 SHORT-TERM PROVISIONS

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Provision for income tax	2.43	26.19
[Net of advance payment of tax of ₹ 316.57 crore (Previous Year ₹ 881.81 crore)]		
Provision for wealth tax [Net of advance payment of tax of ₹ 0.40 crore (Previous year ₹ 0.40 crore)]	-	-
Proposed equity dividend [see note 5(g)]	-	414.17
Tax on proposed equity dividend [see note 5(g)]	-	84.31
TOTAL	2.43	524.67

14 (A) TANGIBLE ASSETS

(₹ IN CRORE)

	GROSS BLOCK					ACCUMULATED DEPRECIATION						NET BLOCK		
	BALANCE AS AT APRIL 1, 2015	ADDITIONS	TRANSFER OUT	DISPOSALS	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT APRIL 1, 2015	DEPRECIATION CHARGE FOR THE YEAR (DISCONTINUING OPERATIONS)	DEPRECIATION CHARGE FOR THE YEAR (CONTINUING OPERATIONS)	TRANSFER OUT	TRANSITION EFFECT [SEE NOTE 40]	DISPOSALS	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2015
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Previous year)	(4.36)	-	-	(4.36)	-	-	-	-	-	-	-	-	-	
Buildings														
Own use	290.77	3.29	(291.23)	2.83	-	35.72	2.55	-	(37.69)	-	0.58	-	-	255.05
(Previous year)	(290.77)	-	-	-	(290.77)	(74.58)	(5.12)	-	-	((43.98))	-	(35.72)	(255.05)	
Leasehold improvements	12.36	6.50	(18.86)	-	-	2.56	1.05	-	(3.61)	-	-	-	-	9.80
(Previous year)	(3.71)	(8.65)	-	-	(12.36)	(1.83)	(0.73)	-	-	-	-	(2.56)	(9.80)	
Furniture and fixtures														
Own use	9.98	7.30	(14.69)	2.59	-	4.84	0.82	-	(4.06)	-	1.60	-	-	5.14
(Previous year)	(8.64)	(1.55)	-	(0.21)	(9.98)	(4.74)	(0.83)	-	-	((0.61))	(0.12)	(4.84)	(5.14)	
Vehicles	12.74	8.34	(19.58)	0.87	0.63	3.20	2.11	0.05	(4.67)	-	0.36	0.33	0.30	9.54
(Previous year)	(5.13)	(7.61)	-	-	(12.74)	(1.22)	(2.50)	-	-	((0.52))	-	(3.20)	(9.54)	
Office equipment														
Own use	13.15	3.89	(13.28)	3.71	0.05	9.39	0.92	-	(6.60)	-	3.68	0.03	0.02	3.76
(Previous year)	(10.81)	(2.48)	-	(0.14)	(13.15)	(5.02)	(1.44)	-	-	(3.03)	(0.10)	(9.39)	(3.76)	
Computers	14.98	12.19	(17.72)	3.88	5.57	10.08	2.22	0.30	(4.00)	-	3.88	4.72	0.85	4.90
(Previous year)	(11.58)	(3.74)	-	(0.34)	(14.98)	(9.26)	(1.70)	-	-	((0.55))	(0.33)	(10.08)	(4.90)	
Wind mills	101.25	-	-	-	101.25	32.08	-	4.61	-	-	-	36.69	64.56	69.17
(Previous year)	(101.25)	-	-	-	(101.25)	(63.73)	-	(4.59)	-	((36.24))	-	(32.08)	(69.17)	
TOTAL	455.23	41.51	(375.36)	13.88	107.50	97.87	9.67	4.96	(60.63)	-	10.10	41.77	65.73	357.36
(Previous Year)	(436.25)	(24.03)	-	(5.05)	(455.23)	(160.38)	(12.32)	(4.59)	-	((78.87))	(0.55)	(97.87)	(357.36)	

Buildings include ₹ Nil (Previous Year ₹ 500) being the cost of unquoted fully paid shares held in co-operative housing societies.

14 (B) INTANGIBLE ASSETS (other than internally generated)

(₹ IN CRORE)

	GROSS BLOCK					ACCUMULATED AMORTISATION						NET BLOCK		
	BALANCE AS AT APRIL 1, 2015	ADDITIONS	TRANSFER OUT	DISPOSALS	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT APRIL 1, 2015	DEPRECIATION CHARGE FOR THE YEAR (DISCONTINUING OPERATIONS)	DEPRECIATION CHARGE FOR THE YEAR (CONTINUING OPERATIONS)	TRANSFER OUT	TRANSITION EFFECT [SEE NOTE 40]	DISPOSALS	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2015
Computer software	15.94	-	(15.94)	-	-	14.15	0.56	-	(14.71)	-	-	-	-	1.79
(Previous year)	(14.76)	(1.18)	-	-	(15.94)	(12.96)	(1.19)	-	-	-	-	(14.15)	(1.79)	
TOTAL	15.94	-	(15.94)	-	-	14.15	0.56	-	(14.71)	-	-	-	-	1.79
(Previous Year)	(14.76)	(1.18)	-	-	(15.94)	(12.96)	(1.19)	-	-	-	-	(14.15)	(1.79)	
Total tangible and intangible assets	471.17	41.51	(391.30)	13.88	107.50	112.02	10.23	4.96	(75.34)	-	10.10	41.77	65.73	359.15
(Previous Year)	(451.01)	(25.21)	-	(5.05)	(471.17)	(173.34)	(13.51)	(4.59)	-	((78.87))	(0.55)	(112.02)	(359.15)	

15 NON-CURRENT INVESTMENTS (AT COST)

	FACE VALUE (₹)	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
		QUANTITY	(₹ IN CRORE)	QUANTITY	(₹ IN CRORE)
TRADE INVESTMENTS					
Investments in equity shares (fully paid)					
Subsidiaries (unquoted) (see note 34)					
IDFC Alternatives Limited	10	-	-	219,850	200.05
IDFC Asset Management Company Limited	10	-	-	2,009,283	629.49
IDFC AMC Trustee Company Limited	10	-	-	37,499	0.05
IDFC Finance Limited	10	-	-	21,000,200	21.00
IDFC Foundation	10	13,000,000	13.00	13,000,000	13.00
IDFC Financial Holding Company Limited	10	8,785,000,000	8,785.00	50,000	0.05
IDFC Infra Debt Fund Limited	10	-	-	152,000,000	152.00
IDFC Projects Limited	10	34,050,000	34.07	34,050,000	34.07
IDFC Securities Limited	10	-	-	14,137,200	440.10
IDFC Trustee Company Limited	10	-	-	50,000	0.05
Associate (unquoted) (see note 34)					
Feedback Infra Private Limited	10	-	-	4,026,689	20.09
Millennium City Expressway Private Limited	10	-	-	176,608,965	176.61
			8,832.07		1,686.56
Non-trade investments					
Investment in equity shares (quoted)(fully paid)					
Andhra Cements Limited	10	-	-	28,413,482	54.32
Jaypee Infratech Limited	10	-	-	3,791,842	38.68
KSK Energy Ventures Limited	10	-	-	1,028,824	24.69
Sarda Energy & Minerals Limited	10	-	-	1,207,777	22.95
			-		140.64
Investment in equity shares (unquoted)(fully paid)					
Asset Reconstruction Company (India) Limited	10	-	-	27,197,743	113.77
Asia Bio Energy (India) Limited [see note (c)]	10	-	-	695,000	2.50
Athena Energy Ventures Private Limited	10	-	-	50,000,000	50.00
Avantika Gas Limited	10	-	-	3,500	ß
BSCPL Infrastructure Limited	10	-	-	436,300	25.00
Coastal Projects Limited	10	-	-	3,385,939	67.00
Ennore SEZ Company Limited	10	-	-	25,000	0.03
GMR Kamalanga Energy Limited	10	-	-	56,750,000	56.75
GMR Energy Limited	10	-	-	4,461,184	5.42
GR Infraprojects Limited	10	-	-	136,610	2.83
Green Gas Limited	10	-	-	10,000	0.01
Indian Commodity Exchange Limited	5	-	-	10,000,000	5.00
Indu Projects Limited	10	-	-	2,053,480	26.70
Intarvo Technologies Limited	10	-	-	74,694	1.41
KMC Constructions Limited	10	-	-	542,977	23.90
Lanco Amarkantak Power Limited	10	-	-	405,000,000	405.00
Max Life Insurance Company Limited	10	19,150,000	137.73	-	-
National Stock Exchange of India Limited	10	-	-	1,756,537	44.02
Novopay Solutions Private Limited	1	-	-	227,145	35.62
Petronet CCK Limited	10	-	-	19,973,332	19.97
Pipal Tree Ventures Private Limited	10	-	-	192,885	2.25
STCI Finance Limited	10	-	-	3,530,136	54.04
Uniquest Infra Ventures Private Limited	10	-	-	13,714,781	13.71
			137.73		954.93

15 NON-CURRENT INVESTMENTS (AT COST) *(continued)*

	FACE VALUE (₹)	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
		QUANTITY	(₹ IN CRORE)	QUANTITY	(₹ IN CRORE)
Investment in preference shares (unquoted) (fully paid)					
0.10% GMR Energy Limited (convertible)	1,000	-	-	238,088	23.88
0% Human Value Developers Private Limited (convertible)	10	-	-	23,749,200	23.75
0% Intarvo Technologies Limited (convertible)	10	-	-	27,862	0.18
0% Regen Powertech Private Limited (convertible)	10	-	-	63,501	4.47
0.02% Ziqitza Healthcare Limited (convertible)	10	-	-	2,209	0.47
0% GMR Infrastructure Limited (convertible) Series A	1,000	-	-	209,550	20.96
0% GMR Infrastructure Limited (convertible) Series B	1,000	-	-	209,550	20.96
			-		94.67
Investment in government securities (unquoted) [see note 10(b) & 10(c)]			-		11,721.62
Investment in debentures & bonds (unquoted)(fully paid)					
Others					
Axis Bank Limited	1,000,000	-	-	250	25.00
Dewan Housing Finance Corporation Limited	1,000,000	-	-	150	14.98
HDFC Bank Limited	1,000,000	-	-	59	5.90
ICICI Bank Limited	1,000,000	-	-	180	18.00
L&T Infrastructure Finance Company Limited	1,000,000	-	-	200	19.47
Reliance Gas Transportation Infrastructure Limited	1,000,000	-	-	1,824	189.62
Sharekhan Limited (convertible)	145.35	-	-	3,435,527	49.94
Sharekhan Limited (convertible)	264.27	-	-	567,601	15.00
Sundaram Finance Limited	1,000,000	-	-	250	24.90
Shriram Transport Finance Company Limited	1,000,000	-	-	545	54.82
Vizag General Cargo Berth Private Limited	1,000,000	-	-	1,250	122.95
			-		540.58
Investment in venture capital units (unquoted) [see note (d)]					
Faering Capital India Evolving Fund (fully paid)	1,000	-	-	271,074	27.11
Faering Capital India Evolving Fund II (fully paid)	1,000	30,000	3.00	-	-
LICHFL Urban Development Fund (Previous Year ₹ 3,145.43 paid)	10,000	-	-	20,000	4.95
India Infrastructure Fund - Class B (fully paid)	1	-	-	4,070	ß
IDFC Project Equity Domestic Investors Trust I (fully paid)	100	-	-	32,512,080	325.12
IDFC Project Equity Domestic Investors Trust II (fully paid)	100	-	-	513,070	5.13
IDFC Private Equity Fund II - Class A (Previous Year ₹ 9.20 paid)	10	-	-	135,000,000	40.91
IDFC Private Equity Fund II - Class C (fully paid)	10	-	-	6,621	0.01
IDFC Private Equity Fund III - Class A (Previous Year ₹ 7.11 paid) (commitment restricted to ₹ 7.14 per unit)	10	-	-	280,000,000	184.79

Carried forward

15 NON-CURRENT INVESTMENTS (AT COST) *(continued)*

	FACE VALUE (₹)	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
		QUANTITY	(₹ IN CRORE)	QUANTITY	(₹ IN CRORE)
Investment in venture capital units (unquoted) [see note (d)] *(continued)*					
Brought forward					
IDFC Private Equity Fund III - Class B (fully paid)	10	-	-	3,571	ß
IDFC Private Equity Fund III - Class C	10	-	-	1,350,000	0.88
(Previous Year ₹ 7.02 paid)					
(commitment restricted to ₹ 7.14 per unit)					
IDFC Private Equity Fund III - Class D	10	-	-	79,996,000	77.44
(Previous Year ₹ 9.68 paid)					
IDFC Private Equity Fund III - Class E (fully paid)	10	-	-	1,429	ß
IDFC Private Equity Fund III - Class F	10	-	-	385,695	0.37
(Previous Year ₹ 9.64 paid)					
IDFC Spice Fund (fully paid)	1	-	-	350,152,625	35.02
Urban Infrastructure Opportunities Fund - Class A (fully paid)	86,160	-	-	2,700	23.66
India Infrastructure Fund II - Class A5	100	-	-	55,000,000	34.52
(Previous Year ₹ 6.28 paid)					
KKR India Alternative Credit Opportunities Fund I (fully paid)	1,000	-	-	150,000	15.00
India Infrastructure Fund II Class B (fully paid)	1	-	-	10,000	ß
IDFC Real Estate Yield Fund - Class A3	1,000	-	-	499,000	22.20
(Previous Year ₹ 511.02 paid)					
			3.00		797.11
Investment in security receipts (unquoted) (see note 41(f))					
Asset Reconstruction Company (India) Limited			-		118.94
Edelweiss Asset Reconstruction Company Limited			-		77.51
Phoenix Asset Reconstruction Company Private Limited			-		45.79
			-		242.24
TOTAL NON-CURRENT INVESTMENTS			8,972.80		16,178.35
Less: Provision for diminution in value of investments [see note (f)]			13.00		286.98
Less: Premium amortised on debentures, bonds & government securities			-		11.39
NET NON-CURRENT INVESTMENTS			8,959.80		15,879.98
(a) Aggregate amount of quoted investments					
Cost			-		140.64
Market value			-		52.63
(b) Aggregate amount of unquoted investments - cost			8,972.80		16,037.71

(c) Excludes Nil shares (Previous year 1,805,000 shares) since the Company has no beneficial interest.

(d) Investments includes ₹ 3.00 crore (Previous Year ₹ 797.11 crore) in respect of venture capital units which are subject to restrictive covenants.

(e) Investments exclude equity shares held by the Company having face value ₹ 10.42 crore (Previous Year ₹ 10.42 crore) where the Company has no beneficial interest.

(f) Includes provision for a Subsidiary Company of ₹ 13.00 crore (Previous Year ₹ 13.00 crore).

16 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	QUANTITY	(₹ IN CRORE)	QUANTITY	(₹ IN CRORE)
DEFERRED TAX ASSET				
(a) Provisions		-		805.35
(b) Others		-		(14.28)
		-		791.07
DEFERRED TAX LIABILITY				
(a) Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged to the Statement of Profit and Loss		11.16		45.37
DEFERRED TAX ASSETS / (LIABILITIES) (NET)		(11.16)		745.70

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' as specified under Section 133 of the Companies Act, 2013, the Company has taken credit of ₹ 1,036.70 crore (Previous year ₹ 290.81 crore) in the Statement of Profit and Loss towards deferred tax assets (net) on account of timing differences and transfer to IDFC Bank Limited under the of Scheme of Arrangement. [see note 1(c) & 28]. Deferred Tax Asset Amounting to ₹ 1,793.60 crore has been transfered to IDFC Bank Limited on October 1, 2015 on demerger of Financing Undertaking.

17 LOANS

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Rupee loans [see note (a), (d) & (e)]	-	-	49,293.18	5,342.93
Debentures & bonds [see note (a), (c) & (e)]	-	-	-	109.25
	-	-	49,293.18	5,452.18
Less: Provision against non-performing loans [see note (d)]	-	-	39.98	198.02
Less: Provision against restructured loans and others (see note 43)	-	-	493.24	-
Less: Provision for contingencies [see note 42 (a)]	-	-	1,587.49	-
TOTAL	-	-	47,172.47	5,254.16
(a) The above amount includes				
Secured [see note (b)]	-	-	40,365.47	4,039.08
Unsecured	-	-	8,927.71	1,413.10
	-	-	49,293.18	5,452.18

(b) Loans to the extent of ₹ Nil (Previous Year ₹ 44,404.55 crore) were secured by:

(i) Hypothecation of assets and/ or
(ii) Mortgage of property and/ or
(iii) Trust and retention account and/ or
(iv) Assignment of receivables or rights and/ or
(v) Pledge of shares and/ or
(vi) Negative lien and/ or
(vii) Undertaking to create a security.

(c) Loans include debentures of ₹ Nil (Previous Year ₹ 109.25 crore) as detailed below:

		AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	FACE VALUE (₹)	QUANTITY	(₹ IN CRORE)	QUANTITY	(₹ IN CRORE)
DEBENTURES (REDEEMABLE)					
Associate					
Feedback Infra Private Limited (see note 34)	1,000	-	-	400,000	40.00
Others					
Coastal Projects Limited	1,000,000	-	-	1,000	33.00
Regen Powertech Private Limited	100,000	-	-	3,625	36.25
TOTAL			-		109.25

(d) Loans includes non-performing loans of ₹ Nil (Previous Year ₹ 357.57 crore) against which provisions of ₹ Nil (Previous Year ₹ 238.00 crore) has been made in accordance with the RBI circular (Ref. No. DNBR (PD) CC No.043/03.10.119/2015-16 dated July 01, 2015). [see note (e)].

(e) The classification of loans under the RBI guidelines is as under:

		(₹ IN CRORE)
	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(i) Standard assets	-	54,387.79
(ii) Sub-standard assets	-	348.42
(iii) Doubtful assets	-	9.15
(iv) Loss assets	-	-
	-	54,745.36

18 LOANS AND ADVANCES - OTHERS (CONSIDERED GOOD, UNLESS STATED OTHERWISE)

				(₹ IN CRORE)
	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
UNSECURED				
Inter corporate deposits to related party [see note 34]		-	-	150.00
Loans and advances to related parties [see note 34]	-	90.22	-	123.76
[includes ₹ Nil (Previous year ₹ 53.22 crore) considered doubtful]				
Receivables against derivative contracts	-	-	88.50	234.84
Loans and advances to employees	-	ß	1.00	0.19
Security deposits	0.75	2.35	46.56	5.15
Other deposits	-	-	-	22.54
Advance payment of income tax	-	-	405.00	-
[net of provision of ₹ Nil (Previous year ₹ 2,783.30 crore)]				
Other loans and advances				
Supplier advances	-	0.16	-	1.95
Capital advances	-	-	5.51	-
Prepaid expenses	-	-	-	6.09
Balance with defined benefit plan [see note 32]	-	-	-	0.20
Balances with government authorities - cenvat credit available	-	0.06	-	0.46
Stamp Paper on hand	-	-	-	0.04
Initial margin account - government securities	-	-	15.02	-
	0.75	92.79	561.59	545.22
Less: Provision against doubtful advances	-	-	-	53.22
TOTAL	0.75	92.79	561.59	492.00

19 OTHER ASSETS (CONSIDERED GOOD, UNLESS STATED OTHERWISE)

				(₹ IN CRORE)
	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Other receivables	-	0.01	-	1.35
[includes ₹ Nil (Previous Year ₹ 1.29 crore) considered doubtful]				
Less: Provision against doubtful receivables	-	-	-	1.29
	-	0.01	-	0.06
Interest accrued on deposits	-	0.78	-	1.38
Interest accrued on investments	-	0.89	-	521.83
Interest accrued on loans [see note (a)]	-	-	158.83	439.47
Unamortised expenses				
Premium on forward contracts	-	-	-	33.77
Ancillary borrowing costs	-	-	49.00	22.38
TOTAL	-	1.68	207.83	1,018.89

(a) Interest accrued on loans - current is net of provision of ₹ Nil (Previous year ₹ 33.00 crore) against restructured advances.

20 CURRENT INVESTMENTS

	FACE VALUE (₹)	AS AT MARCH 31, 2016 QUANTITY	AS AT MARCH 31, 2016 (₹ IN CRORE)	AS AT MARCH 31, 2015 QUANTITY	AS AT MARCH 31, 2015 (₹ IN CRORE)
CURRENT INVESTMENTS (LOWER OF COST AND FAIR VALUE / MARKET VALUE)					
TRADE INVESTMENTS					
INVESTMENT IN PREFERENCE SHARES (UNQUOTED) (FULLY PAID)					
Others					
Galaxy Mercantiles Limited (redeemable)	100	-	-	84,602	12.66
			-		12.66
NON-TRADE INVESTMENTS					
INVESTMENT IN EQUITY SHARES (QUOTED) (FULLY PAID)					
RattanIndia Power Limited	10	-	-	3,423,184	15.40
Vascon Engineers Limited	10	-	-	864,225	14.26
Deccan Chronicle Holdings Limited	2	-	-	1,000	ß
			-		29.66
INVESTMENT IN DEBENTURES & BONDS (UNQUOTED) (FULLY PAID)					
Subsidiaries (unquoted) (see note 34)					
IDFC Infra Debt Fund Limited	1,000,000	450	45.00	-	-
Others					
Housing Development Finance Corporation Limited	1,000,000	-	-	10,250	1,025.04
ICICI Home Finance Limited	1,000,000	-	-	38	3.80
India Infrastructure Finance Company Limited	1,000	-	-	584,500	58.45
Kotak Mahindra Prime Limited	1,000,000	-	-	500	44.45
Kalptaru Power Transmission Limited	1,000,000	-	-	1,000	99.85
L&T Finance Limited	1,000	-	-	821,491	82.15
L&T Infrastructure Finance Company Limited	1,000,000	-	-	50	4.95
LIC Housing Finance Limited	1,000,000	-	-	13,550	1,354.96
Mahindra & Mahindra Financial Services Limited	1,000,000	-	-	3,000	294.78
National Bank for Agriculture and Rural Development	1,000,000	-	-	750	75.03
Power Finance Corporation Limited	1,000,000	-	-	1,050	105.07
Power Grid Corporation of India Limited	100,000	-	-	90	0.94
Power Grid Corporation of India Limited	1,000,000	-	-	400	40.00
Power Grid Corporation of India Limited	1,250,000	-	-	20	2.50
The Great Eastern Shipping Company Limited	1,000,000	-	-	100	10.09
			45.00		3,202.06
INVESTMENT IN PASS THROUGH CERTIFICATES (UNQUOTED)					
India MBS 2002 Certificates Series I D			-		0.25
INVESTMENT IN CERTIFICATE OF DEPOSITS WITH SCHEDULED BANKS			-		773.68
(unquoted)					
INVESTMENT IN COMMERCIAL PAPERS (UNQUOTED)			-		1,847.61
INVESTMENT IN GOVERNMENT SECURITIES (UNQUOTED) [SEE NOTE 10 (B) & 10 (C)]			-		4,934.54
INVESTMENT IN TREASURY BILLS (UNQUOTED) [SEE NOTE 10 (B) & 10 (C)]			-		2,256.42

	FACE VALUE (₹)	AS AT MARCH 31, 2016 QUANTITY	AS AT MARCH 31, 2016 (₹ IN CRORE)	AS AT MARCH 31, 2015 QUANTITY	AS AT MARCH 31, 2015 (₹ IN CRORE)
INVESTMENT IN MUTUAL FUNDS (UNQUOTED)					
IDFC Cash Fund-Growth-(Direct Plan)	1,000	242,872.442	44.53	6,766,845.399	1,150.00
IDFC Ultra Short Term Fund-Growth-(Direct Plan)	10	73,239,995.653	155.00	-	-
IDFC Corporate Bond Fund Direct Plan - Growth	10	25,000,000	25.00	-	-
UTI Money Market Fund Institutional Plan Direct Plan Growth	1,000	-	-	2,743,187.616	425.00
			224.53		1,575.00
TOTAL CURRENT INVESTMENTS			269.53		14,631.88
Less: Provision for diminution in value of investments			0.15		24.97
NET CURRENT INVESTMENTS			269.38		14,606.91

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(a)	Aggregate amount of quoted investments		
	Cost	-	29.66
	Market value	-	4.69
(b)	(i) Aggregate amount of investments in unquoted mutual funds		
	Cost	224.53	1,575.00
	Market value	226.32	1,580.87
	Market value of investments in unquoted mutual funds represents the repurchase price of the units issued by the mutual funds.		
	(ii) Aggregate amount of other unquoted investments - cost	45.00	13,027.22

21 TRADE RECEIVABLES (UNSECURED)

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
CONSIDERED GOOD		
Outstanding for a period less than six months from the date they are due for payment [see note (a)]	3.02	26.08
CONSIDERED DOUBTFUL		
Outstanding for a period less than six months from the date they are due for payment	-	-
Outstanding for a period exceeding six months from the date they are due for payment [see note (b)]	-	0.68
	-	0.68
Less: Provision against doubtful receivables	-	0.68
	-	-
TOTAL	3.02	26.08

(a) Includes ₹ Nil (Previous Year ₹ 21.71 crore) on deals recognised on trade date basis, subsequently realised.

(b) During the year ended March 31, 2016, the Company has written off debts of ₹ Nil (Previous Year ₹ 102.97 crore). The provision of same has been reversed.

22 CASH AND BANK BALANCES

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
CASH AND CASH EQUIVALENTS [see note (a)]		
Cash on hand	ß	0.01
Cheques on hand	5.46	87.12
Balances with banks:		
In current accounts	1.44	26.95
In deposit accounts	217.90	25.00
	224.80	139.08
OTHERS		
Balances with banks:		
In earmarked accounts:		
- unclaimed dividend	1.84	1.78
- unclaimed interest	-	17.99
In deposit accounts [see note (b)]	-	22.50
	1.84	42.27
	226.64	181.35

(a) Cash & Cash equivalents as referred in Cash Flow Statement.

(b) Balances with banks include deposits of ₹ Nil (Previous Year ₹ 22.50 crore) having original maturity of more than 12 months.

23 REVENUE FROM OPERATIONS

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Interest [see note (a)]	3.01	-
Other financial services - Fees	0.08	-
Dividend from subsidiaries	200.01	87.23
Net profit on sale of current investments	17.90	-
Other operating income - Sale of power	3.13	11.33
TOTAL	224.13	98.56
(a) Details of interest income		
Interest on deposits	2.12	-
Interest on investments		
Current investments	0.89	-
TOTAL	3.01	-

24 OTHER INCOME

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Profit on sale of long-term investments [see note (a)]	1.75	1.00
Miscellaneous income	ß	-
TOTAL	1.75	1.00

(a) Profit on sale of long-term investments of ₹ 1.75 crore for the year ended March 31, 2016 is on sale of 100% stake in IDFC Finance Limited to IDFC Projects Limited and profit of ₹ 1.00 crore for the year ended March 31, 2015 was on sale of 100% stake in IDFC Primary Dealership Company Limited and IDFC Housing Finance Company Limited to IDFC Alternatives Limited, wholly-owned subsidiary of the Company.

25 EMPLOYEE BENEFITS EXPENSE

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Salaries	9.16	5.27
Contribution to provident and other funds (see note 32)	0.70	0.25
Staff welfare expenses	0.01	0.15
TOTAL	9.87	5.67

26 PROVISIONS AND CONTINGENCIES (SEE NOTE 42)

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Provision against advances	(53.22)	-
Provision for diminution in value of investments (net)	0.15	21.00
Bad debts written off	93.78	-
TOTAL	40.71	21.00

27 OTHER EXPENSES

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Rent [see note 35 (i)]	0.01	-
Rates and taxes	0.01	-
Repairs and maintenance		
Buildings	0.03	-
Equipments	1.69	0.94
Others	0.01	-
Insurance charges	0.12	0.05
Travelling and conveyance	0.75	-
Printing and stationery	ß	-
Communication costs	(0.05)	-
Advertising and publicity	0.07	-
Professional fees	0.38	ß
Loss on foreign exchange fluctuation (net)	ß	-
Directors' sitting fees	0.37	0.45
Commission to directors	0.27	1.89
Brokerage	0.01	-
Miscellaneous expenses	0.68	0.08
Auditors' remuneration [see note (a)]	1.43	1.98
Shared service costs [see note (b)]	0.31	-
TOTAL	6.09	5.39

(a) Break up of auditors' remuneration:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Audit fees	0.25	0.50
Tax audit fees	0.10	0.15
Taxation matters	0.17	0.45
Other services	0.77	0.74
Out-of-pocket expenses	0.03	0.02
Service tax	0.19	0.23
	1.51	2.09
Less: Service tax set off claimed	0.08	0.11
TOTAL	1.43	1.98

(b) Shared service costs represents ₹ 0.31 crore paid to subsidiary companies under a shared service agreement.

28 DISCONTINUING OPERATIONS

The financials for the year ended March 31, 2016 and for the corresponding previous year includes the financials of Financing Undertaking that has been transferred to IDFC Bank Limited under the Scheme of Arrangement w.e.f October 1, 2015. Financing activity is a discontinued operation w.e.f October 1, 2015 in IDFC Limited. Information required under Accounting Standard 24 on Discontinuing Operations relating to Financing Undertaking is given below:

PARTICULARS				(₹ IN CRORE)	
		FOR THE YEAR ENDED MARCH 31, 2016		FOR THE YEAR ENDED MARCH 31, 2015	
I.	**INCOME**				
	Revenue from operations				
	Interest	3,928.01		8,031.10	
	Other financial services	39.48		76.03	
	Dividend income	20.12		25.88	
	Net profit on sale of investments	348.75		900.14	
	Other operating income	-	4,336.36	0.11	9,033.26
	Other Income				
	Interest on income tax refund	0.17		78.07	
	Other interest	0.03		0.06	
	Profit on sale of fixed assets (net)	-		1.28	
	Miscellaneous income	0.36	0.56	0.40	79.81
	TOTAL INCOME (A)		4,336.92		9,113.07
II.	**EXPENSES**				
	Employee benefits expenses	197.87		207.80	
	Finance costs	2,970.36		5,642.07	
	Other expenses	152.75		200.40	
	Provisions and contingencies	336.48		997.91	
	Depreciation and amortisation expense	10.23		(29.12)	
	TOTAL EXPENSES (B)		3,667.69		7,019.06
	Profit before tax before exceptional items (C= A-B)		669.23		2,094.01
	Exceptional Items (D) (see note below)		(2,638.72)		-
	Profit before tax after exceptional items (C-D)		(1,969.49)		2,094.01
	Tax expense				
	- on ordinary activities attributable to the discontinuing operations				
	- Current Tax	379.55		874.04	
	- Deferred Tax	(1,044.96)		(289.01)	
	- Tax adjustments for prior years	(0.24)		(109.51)	
	TOTAL TAX EXPENSES		(665.65)		475.52
	Profit after tax of discontinuing operations		(1,303.84)		1,618.49
			AS AT MARCH 31, 2016		AS AT MARCH 31, 2015
	Carrying amount of assets as at the balance sheet date relating to the discontinued business to be disposed off		66,237.46		76,713.58
	Carrying amount of liabilities as at the balance sheet date relating to the discontinued business to be settled		60,002.90		69,082.06
			FOR THE YEAR ENDED MARCH 31, 2016		FOR THE YEAR ENDED MARCH 31, 2015
	Net cash flow attributable to the discontinued business				
	Cash flows from operating activities		8,608.30		-
	Cash flows from investing activities		2,221.89		-
	Cash flows from financing activities		(9,530.81)		-

Note: Exceptional Items

Pursuant to the approval granted by the Reserve Bank of India ("RBI") vide letter no. DNBR.CO.PD.No. 295/03.10.001/2014-15 dated August 11, 2015 to utilise the balance in Statutory Reserves to create specific provision against identified advances, the Company has created specific provisions of ₹ 2,500.00 crore on such assets. This one time provision along with reversal of unrealised interest of ₹ 138.72 crore on identified advances have been charged to the Statement of Profit and Loss and classified as exceptional item. In accordance with the RBI approval, an amount equivalent to ₹ 1,634.80 crore (provisions of ₹ 2,500.00 crore net of deferred tax asset of ₹ 865.20 crore) is transferred from Special Reserve u/s 45IC of RBI Act, 1934 to the balance of the surplus in Statement of Profit and Loss in Reserves and Surplus.

29 EXPENDITURE IN FOREIGN CURRENCIES

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Interest expense	-	0.01
Other borrowing costs	27.90	24.83
Travelling expenses	0.08	0.07
Legal & professional fees	1.54	0.50
Others	3.83	3.01

30 EARNINGS IN FOREIGN CURRENCIES

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Others	-	ß

31 REMITTANCE IN FOREIGN CURRENCIES FOR DIVIDENDS

The Company has not remitted any amount in foreign currencies on account of dividends paid during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders which were declared during the year, are as under:

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Number of non-resident shareholders	6,394	5,170
Number of equity shares held by them	770,525,689	780,513,315
Gross amount of dividend (₹ in crore)	200.34	202.93
Dividend relating to the year	2014-15	2013-14

32 In accordance with Accounting Standards specified under Section 133 of the 2013 Act, the following disclosures have been made:

i. 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)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Provident fund	5.82	5.02
Superannuation fund	0.63	0.72
Pension fund	0.95	0.76

ii. The details of the Company's post - retirement benefit plans for gratuity for its employees are given below which are certified by the actuary and relied upon by the auditors:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:		
Liability at the beginning of the year	22.17	17.73
Current service cost	4.80	2.42
Interest cost	2.04	1.67
Liabilities settled on divestiture (see note below)	(22.70)	(0.04)
Benefits paid	(1.51)	(1.85)
Actuarial loss / (gain)	(2.51)	2.24
Liability at the end of the year	2.30	22.17
FAIR VALUE OF PLAN ASSETS:		
Fair value of plan assets at the beginning of the year	22.37	16.66
Expected return on plan assets	1.98	1.32
Contributions	2.86	4.00

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Benefits paid	(1.51)	(1.85)
Distributed on Divestiture (see note below)	(22.19)	-
Actuarial gain / (loss) on plan assets	(1.26)	2.24
Fair value of plan assets at the end of the year	2.25	22.37
Total actuarial loss to be recognised	(1.25)	ß
ACTUAL RETURN ON PLAN ASSETS:		
Expected return on plan assets	1.98	1.32
Actuarial gain / (loss) on plan assets	(1.26)	2.24
Actual return on plan assets	0.72	3.56
AMOUNT RECOGNISED IN THE BALANCE SHEET:		
Liability at the end of the year	2.30	22.17
Fair value of plan assets at the end of the year	2.25	22.37
Amount recognised in the Balance Sheet under 'Provision for employee benefits' (see note 12)	0.05	-
Amount recognised in the Balance Sheet under 'Loans and Advances' (see note 18)	-	0.20
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	4.80	2.42
Interest cost	2.04	1.67
Expected return on plan assets	(1.98)	(1.32)
Net actuarial loss to be recognised	(1.25)	ß
Liabilities settled on divestiture	(0.51)	(0.04)
Expense recognised in the Statement of Profit and Loss under 'Employee benefits expense' (see note 25)	3.10	2.73
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET:		
Opening net asset / (liability)	0.20	(1.07)
Expense recognised	3.10	2.73
Contribution by the Company	(2.86)	(4.00)
Expected employer's contribution next year	0.20	2.00

(₹ in crore)

	For the year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
EXPERIENCE ADJUSTMENTS:					
Defined benefit obligation	2.30	22.17	17.73	14.87	11.65
Plan assets	2.25	22.37	16.66	14.73	11.75
Surplus/(deficit)	(0.05)	0.20	(1.06)	(0.14)	0.10
Experience adjustments on plan liabilities	(2.50)	0.91	2.12	0.19	1.38
Experience adjustments on plan assets	(1.26)	2.24	0.08	0.10	(0.32)

	AS AT MARCH 31, 2016 (%)	AS AT MARCH 31, 2015 (%)
INVESTMENT PATTERN:		
Insurer managed funds	100.00	100.00
Government securities	46.58	49.67
Deposit and money market securities	9.38	6.25
Debentures / bonds	34.09	29.82
Equity shares	9.95	14.26
PRINCIPAL ASSUMPTIONS:		
Discount rate (p.a.)	8.00	7.95
Expected rate of return on assets (p.a.)	9.00	9.00
Salary escalation rate (p.a.)	8.00	8.00

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

Note:

From the effective date of demerger, all employees of the Transferor Company pertaining to the Financing Undertaking and who were in the employment of the Transferor Company are transferred to the Transferee Company. Consequently, the corresponding gratuity liability and plan assets have been transferred to the Transferee Company based on actuarial valuation.

33 The Company's main business up to September 30, 2015 was financing by way of loans. Post Demerger of Financing Undertaking business of the Company into IDFC Bank Limited effective October 01, 2015, the Company is operating as NBFC - Investment Company. The Company does not have any geographic segments. As such, there are no separate reportable segments as per Accounting Standards 17 on 'Segment Reporting' under specified Section 133 of the 2013 Act.

34 As per Accounting Standard 18 on 'Related Party Disclosures' as notified under the Accounting Standards specified under section 133 of the 2013 Act, the related parties of the Company are as follows:

I. SUBSIDIARIES:

(a) Direct

IDFC Alternatives Limited (direct up to July 09, 2015)

IDFC Asset Management Company Limited (direct up to July 09, 2015)

IDFC AMC Trustee Company Limited (direct up to July 09, 2015)

IDFC Bank Limited (Incorporated on October 21, 2014 and direct up to December 25, 2014)

IDFC Infra Debt Fund Limited (direct up to August 11, 2014)

IDFC Securities Limited (direct up to July 09, 2015)

IDFC Trustee Company Limited (direct up to July 09, 2015)

Galaxy Mercantiles Limited (w.e.f. December 6, 2013, up to September 28, 2014)

IDFC Finance Limited (direct up to September 28, 2015)

IDFC Foundation

IDFC Financial Holding Company Limited (Incorporated on November 07, 2014)

IDFC Housing Finance Company Limited (incorporated on March 4, 2014, direct up to August 27, 2014)

IDFC Primary Dealership Company Limited (direct up to August 27, 2014)

IDFC Projects Limited

Neopro Technologies Private Limited (direct up to September 28, 2014)

(b) Through subsidiaries

IDFC Alternatives Limited (w.e.f July 10, 2015)

IDFC Asset Management Company Limited (w.e.f July 10, 2015)

IDFC AMC Trustee Company Limited (w.e.f July 10, 2015)

IDFC Bank Limited (w.e.f December 26, 2014)

IDFC Infra Debt Fund Limited (w.e.f August 12, 2014)

IDFC Securities Limited (w.e.f July 10, 2015)

IDFC Trustee Company Limited (w.e.f July 10, 2015)

IDFC Capital (USA) Inc.

IDFC Capital (Singapore) Pte. Ltd.

IDFC Fund of Funds Limited (up to December 12, 2014)

IDFC Housing Finance Company Limited (w.e.f from August 28, 2014 up to September 30, 2014)

IDFC Investment Advisors Limited (up to March 31, 2015)

IDFC Investment Managers (Mauritius) Limited

IDFC Primary Dealership Company Limited (w.e.f August 28, 2014 up to September 30, 2014)

IDFC Project Equity Company Limited (up to September 30, 2014)

IDFC Securities Singapore Pte. Limited

IDFC Finance Limited (w.e.f September 29, 2015)

II. JOINTLY CONTROLLED ENTITIES:

(a) Through subsidiaries

Delhi Integrated Multi-Modal Transit System Limited

Infrastructure Development Corporation (Karnataka) Limited

Uttarakhand Infrastructure Development Company Limited

Rail Infrastructure Development Company (Karnataka) Limited

Narayana Hrudayalaya Surgical Hospital Private Limited (upto January 31, 2016)

III. ASSOCIATES:

(a) Direct

Feedback Infra Private Limited (up to September 30, 2015)

Millennium City Expressway Private Limited (w.e.f. from May 19, 2014 & up to September 30, 2015)

(b) Through subsidiaries

Jetpur Somnath Tollways Private Limited

Feedback Infra Private Limited (w.e.f October 01, 2015)

Millennium City Expressway Private Limited (w.e.f October 01, 2015)

IV. ENTITIES OVER WHICH CONTROL IS EXERCISED:

(a) Through subsidiaries

India PPP Capacity Building Trust

V. KEY MANAGEMENT PERSONNEL:

(a) Dr. Rajiv B. Lall - Executive Chairman (up to September 30, 2015)

(b) Mr. Vikram Limaye - Managing Director & CEO

VI. RELATIVES OF KEY MANAGEMENT PERSONNEL: (WHERE TRANSACTIONS EXIST).

(a) Ms. Bunty Chand (Up to September 30, 2015)

(b) Mr. Bharat Mukund Limaye

I) The nature and volume of transactions of the Company with the above mentioned related parties are as summarised below:

(₹ IN CRORE)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
INCOME												
Dividend	200.01	87.23	0.60	0.81	-	-	-	-	-	-	-	-
Interest	5.04	22.54	23.92	42.29	-	-	-	-	-	-	-	-
Profit on sale of investments	1.75	-	-	-	-	-	-	-	-	-	-	-
Fees	-	-	-	-	0.08	-	-	-	-	-	-	-
EXPENDITURE												
Remuneration paid	-	-	-	-	-	-	-	-	9.48	8.31	-	-
Shared service cost recovery	1.74	4.53	-	-	-	-	-	-	-	-	-	-
Shared service cost	0.31	-	-	-	-	-	-	-	-	-	-	-
Fees paid	-	1.47	-	-	-	0.52	-	-	-	-	-	-
Professional fees paid	-	14.18	-	-	-	-	-	-	-	-	-	-
CSR Contribution	23.40	46.50	-	-	-	-	-	-	-	-	-	-
Brokerage on sale of investments	0.05	0.22	-	-	-	-	-	-	-	-	-	-
Interest expense on 80CCF Bonds	-	-	-	-	-	-	-	-	-	ß	-	ß
Property tax paid	0.05	-	-	-	-	-	-	-	-	-	-	-
Office Maintenance paid	0.02	-	-	-	-	-	-	-	-	-	-	-
Rent paid	0.59	-	-	-	0.01	0.02	-	-	-	-	-	-
ASSETS / TRANSACTIONS												
Sale of investments in Subsidiary Company	1,444.48	213.05	-	-	-	-	-	-	-	-	-	-
Sale of investments in Other Company	35.62	0.05	-	-	-	-	-	-	-	-	-	-
Purchase / subscription of investments	8,784.95	340.10	17.39	176.61	-	-	-	-	-	-	-	-

(₹ IN CRORE)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Assignment of loans	494.40	-	-	-	-	-	-	-	-	-	-	-
Subscription of bonds	45.00	-	-	-	-	-	-	-	-	-	-	-
Repayment of OCDs	-	261.05	-	-	-	-	-	-	-	-	-	-
Buyback of OCD	-	125.00	-	-	-	-	-	-	-	-	-	-
Current account balance	1.07	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits placed	665.50	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits - Balance outstanding	217.90	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	0.49	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	ß	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits (placed and matured)	155.19	1,513.50	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits (placed and outstanding)	-	150.00	-	-	-	-	-	-	-	-	-	-
Loans given	-	-	-	421.60	-	-	-	-	-	-	-	-
Advances given	71.94	35.76	-	-	-	-	-	-	-	-	-	-
Advances recovered	6.60	0.50	-	-	-	-	-	-	-	-	-	-
Advances recoverable - balance outstanding	90.22	123.76	-	-	-	-	-	-	-	-	-	-
Interest accrued on loans - balance outstanding	-	-	-	18.19	-	-	-	-	-	-	-	-
Interest accrued on bonds - balance outstanding	0.89	-	-	-	-	-	-	-	-	-	-	-
Interest accrued on ICD - balance outstanding	-	0.26	-	-	-	-	-	-	-	-	-	-
Interest accrued on fixed deposits - balance outstanding	0.87	-	-	-	-	-	-	-	-	-	-	-
Outstanding investments in Debentures	-	-	-	40.00	-	-	-	-	-	-	-	-
Outstanding Equity investment	8,832.07	1,489.86	-	196.70	-	-	-	-	-	-	-	-
Outstanding other receivables	-	-	-	0.17	-	-	-	-	-	-	-	-
LIABILITIES / TRANSACTIONS												
Trade payable- balance outstanding	-	0.13	-	-	1.76	0.60	-	-	-	-	-	-
Amount received in advance	-	-	-	0.84	-	-	-	-	-	-	-	-
80CCF Bonds outstanding	-	-	-	-	-	-	-	-	-	0.01	-	0.01

II) The nature and volume of transactions of the Company with the above mentioned related parties are as detailed below:

(₹ in crore)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
INCOME												
Dividend												
IDFC Asset Management Company Limited	39.18	50.23	-	-	-	-	-	-	-	-	-	-
IDFC Primary Dealership Company Limited	-	37.00	-	-	-	-	-	-	-	-	-	-
IDFC Securities limited	148.44	-	-	-	-	-	-	-	-	-	-	-
IDFC Finance Limited	12.39	-	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	0.60	0.81	-	-	-	-	-	-	-	-
Interest income												
IDFC Alternatives Limited	3.80	7.23	-	-	-	-	-	-	-	-	-	-
IDFC Bank Limited	1.24	-	-	-	-	-	-	-	-	-	-	-
IDFC Primary Dealership Company Limited	-	1.15	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	-	0.36	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	2.61	6.67	-	-	-	-	-	-	-	-
Galaxy Mercantiles Limited	-	13.80	-	-	-	-	-	-	-	-	-	-
Millennium City Expressway Private Limited	-	-	21.31	35.62	-	-	-	-	-	-	-	-

(₹ in crore)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Profit on sale of investments												
IDFC projects Limited	1.75	-	-	-	-	-	-	-	-	-	-	-
Fees												
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	0.05	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.03	-	-	-	-	-	-	-
EXPENDITURE												
Remuneration paid												
Dr. Rajiv B.Lall	-	-	-	-	-	-	-	-	4.32	4.40	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	5.16	3.91	-	-
Shared Service cost recovery												
IDFC Alternatives Limited	0.39	0.98	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	1.02	2.17	-	-	-	-	-	-	-	-	-	-
IDFC Project Equity Company Limited	-	0.40	-	-	-	-	-	-	-	-	-	-
IDFC Infra Debt Fund Limited	0.02	-	-	-	-	-	-	-	-	-	-	-
IDFC Primary Dealership Company Limited	-	0.06	-	-	-	-	-	-	-	-	-	-
IDFC Asset Management Company Limited	0.31	0.92	-	-	-	-	-	-	-	-	-	-
Shared Service cost												
IDFC Bank Limited	0.31	-	-	-	-	-	-	-	-	-	-	-
Fees paid												
IDFC Foundation	-	0.44	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	-	1.03	-	-	-	-	-	-	-	-	-	-
Uttarakhand Infrastructure Development Company Limited	-	-	-	-	-	0.18	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	-	0.02	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	-	0.32	-	-	-	-	-	-
Professional fees paid												
IDFC Securities Limited	-	13.32	-	-	-	-	-	-	-	-	-	-
IDFC Investment Advisors Limited	-	0.86	-	-	-	-	-	-	-	-	-	-
Interest expense on 80 CCF Bonds												
Dr. Rajiv B. Lall	-	-	-	-	-	-	-	-	-	ß	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	-	ß	-	-
Ms. Bunty Chand	-	-	-	-	-	-	-	-	-	-	-	ß
Mr. Bharat Mukund Limaye	-	-	-	-	-	-	-	-	-	-	-	ß
CSR contribution												
IDFC Foundation	23.40	46.50	-	-	-	-	-	-	-	-	-	-
Brokerage on sale of investments												
IDFC Securities Limited	0.05	0.22	-	-	-	-	-	-	-	-	-	-
Property Tax paid												
IDFC Alternatives Limited	0.05	-	-	-	-	-	-	-	-	-	-	-
Office Maintenance paid												
IDFC Alternatives Limited	0.02	-	-	-	-	-	-	-	-	-	-	-
Rent paid												
IDFC Alternatives Limited	0.59	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.01	0.02	-	-	-	-	-	-
ASSETS / TRANSACTIONS												
Sale of investments in Subsidiary Company												
IDFC Projects Limited	22.75	-	-	-	-	-	-	-	-	-	-	-
IDFC Alternatives Limited	-	213.00	-	-	-	-	-	-	-	-	-	-
IDFC Financial Holding Company Limited	1,421.73	0.05	-	-	-	-	-	-	-	-	-	-
Sale of investments												
IDFC Asset Management Company Limited	-	0.05	-	-	-	-	-	-	-	-	-	-

(₹ in crore)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
IDFC Projects Limited	35.62	-	-	-	-	-	-	-	-	-	-	-
Subscription of Investments												
IDFC Infra Debt Fund Limited	-	140.00	-	-	-	-	-	-	-	-	-	-
IDFC Alternatives Limited	-	200.00	-	-	-	-	-	-	-	-	-	-
IDFC Bank Limited	-	0.05	-	-	-	-	-	-	-	-	-	-
IDFC Financial Holding Company Limited	8,784.95	0.05	-	-	-	-	-	-	-	-	-	-
Millennium City Expressway Private Limited	-	-	17.39	176.61	-	-	-	-	-	-	-	-
Subscription of Bonds												
IDFC Infra Debt Fund Limited	45.00	-	-	-	-	-	-	-	-	-	-	-
Assignment of Loans												
IDFC Infra Debt Fund Limited	494.40	-	-	-	-	-	-	-	-	-	-	-
Current account balance												
IDFC Bank Limited	1.07	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits placed												
IDFC Bank Limited	665.50	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits outstanding												
IDFC Bank Limited	217.90	-	-	-	-	-	-	-	-	-	-	-
Redemption receipt of OCDs												
Galaxy Mercantiles Limited	-	261.05	-	-	-	-	-	-	-	-	-	-
Buy back of OCDs												
IDFC Securities Limited	-	125.00	-	-	-	-	-	-	-	-	-	-
Loans Given												
Millennium City Expressway Private Limited (net of repayments)	-	-	-	421.60	-	-	-	-	-	-	-	-
Sale of fixed assets												
IDFC Alternatives Limited	0.42	-	-	-	-	-	-	-	-	-	-	-
IDFC Infra Debt Fund Limited	0.07	-	-	-	-	-	-	-	-	-	-	-
IDFC Foundation Limited	ß	-	-	-	-	-	-	-	-	-	-	-
IDFC Asset Management Company Limited	-	ß	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits (placed and matured)												
IDFC Primary Dealership Company Limited	-	1,023.00	-	-	-	-	-	-	-	-	-	-
IDFC Alternatives Limited	155.00	290.00	-	-	-	-	-	-	-	-	-	-
IDFC Infra Debt Fund Limited	0.19	-	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	-	200.50	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits (placed and outstanding)												
IDFC Alternatives Limited	-	150.00	-	-	-	-	-	-	-	-	-	-
Advances given												
IDFC Financial Holding Company Limited	2.52	-	-	-	-	-	-	-	-	-	-	-
IDFC Bank Limited	2.58	-	-	-	-	-	-	-	-	-	-	-
IDFC Projects Limited	66.84	35.76	-	-	-	-	-	-	-	-	-	-
Advances recovered												
IDFC Financial Holding Company Limited	2.52	-	-	-	-	-	-	-	-	-	-	-
IDFC Bank Limited	2.58	-	-	-	-	-	-	-	-	-	-	-
IDFC Foundation	1.50	0.50	-	-	-	-	-	-	-	-	-	-
Advances recoverable - balance outstanding												
IDFC Bank Limited	-	2.58	-	-	-	-	-	-	-	-	-	-
IDFC Financial Holding Company Limited	-	2.52	-	-	-	-	-	-	-	-	-	-
IDFC Foundation	19.50	21.00	-	-	-	-	-	-	-	-	-	-
IDFC Projects Limited	70.72	97.66	-	-	-	-	-	-	-	-	-	-

(₹ in crore)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Interest accrued on loans - balance outstanding												
Feedback Infra Private Limited	-	-	-	14.52	-	-	-	-	-	-	-	-
Millennium City Expressway Private Limited	-	-	-	3.67	-	-	-	-	-	-	-	-
Interest accrued on bonds - balance outstanding												
IDFC Infra Debt Fund Limited	0.89	-	-	-	-	-	-	-	-	-	-	-
Interest accrued on ICD - balance outstanding												
IDFC Alternatives Limited	-	0.26	-	-	-	-	-	-	-	-	-	-
Interest accrued on Fixed deposits - balance outstanding												
IDFC Bank Limited	0.87	-	-	-	-	-	-	-	-	-	-	-
Outstanding Investment in debentures												
Feedback Infra Private Limited	-	-	-	40.00	-	-	-	-	-	-	-	-
Outstanding Equity Investments												
IDFC Financial Holding Company Limited	8,785.00	0.05	-	-	-	-	-	-	-	-	-	-
IDFC Alternatives Limited	-	200.05	-	-	-	-	-	-	-	-	-	-
IDFC Asset Management Company Limited	-	629.49	-	-	-	-	-	-	-	-	-	-
IDFC Infra Debt Fund Limited	-	152.00	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	-	440.10	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	-	20.09	-	-	-	-	-	-	-	-
Millennium City Expressway Private Limited	-	-	-	176.61	-	-	-	-	-	-	-	-
Others	47.07	68.17	-	-	-	-	-	-	-	-	-	-
Outstanding other receivables												
Millennium City Expressway Private Limited	-	-	-	0.17	-	-	-	-	-	-	-	-
LIABILITIES / TRANSACTIONS												
Trade Payable- Balance outstanding												
IDFC Foundation	-	0.13	-	-	-	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	1.46	0.39	-	-	-	-	-	-
Uttarakhand Infrastructure Development Company Limited	-	-	-	-	-	0.15	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	0.30	0.06	-	-	-	-	-	-
Amount received in advance												
Feedback Infra Private Limited	-	-	-	0.84	-	-	-	-	-	-	-	-
80CCF Bonds outstanding												
Dr. Rajiv B. Lall	-	-	-	-	-	-	-	-	-	ß	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	-	0.01	-	-
Ms. Bunty Chand	-	-	-	-	-	-	-	-	-	-	-	ß
Mr. Bharat Mukund Limaye	-	-	-	-	-	-	-	-	-	-	-	0.01

35 In accordance with Accounting Standard 19 on 'Leases' as notified under the Accounting Standards specified under Section 133 of the 2013 Act, the following disclosures in respect of operating leases are made:

i The Company had taken office premises under operating leases, which expired in the Previous Year between March 2016 and March 2024. Rent includes gross rental expenses of ₹ 20.23 crore (Previous Year ₹ 8.90 crore). The committed lease rentals in the future are: (see note below)

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Not later than one year	-	19.84
Later than one year and not later than five years	-	86.33
Later than five years	-	9.95

All outstanding operating lease contracts have been transferred to IDFC Bank Limited on the demerger of Financing Undertaking under the Scheme of Arrangement.

36 In accordance with Accounting Standard 20 on 'Earnings Per Share' as notified under the Accounting Standards specified under Section 133 of the 2013 Act:

1 Earnings per share of continuing operations

i. The basic earnings per share has been calculated based on:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Net profit after tax	141.70	67.00
Weighted average number of equity shares	1,593,794,088	1,556,765,804

ii. The reconciliation between the basic and the diluted earnings per share is as follows:

(₹)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Basic earnings per share	0.89	0.43
Effect of outstanding stock options	ß	ß
Diluted earnings per share	0.89	0.43

2 Earnings per share of total operations

i. The basic earnings per share has been calculated based on:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Net profit / (loss) after tax	(1,162.14)	1,685.49
Weighted average number of equity shares	1,593,794,088	1,556,765,804

ii. The reconciliation between the basic and the diluted earnings per share is as follows:

(₹)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Basic earnings per share	(7.29)	10.83
Effect of outstanding stock options	ß	(0.06)
Diluted earnings per share	(7.29)	10.77

iii. The basic earnings per share has been computed by dividing the net profit/(loss) after tax for the year available for equity shareholders by the weighted average number of equity shares for the respective years, whereas the diluted earnings per share has been computed by dividing the net profit/(loss) after tax for the year available for equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options for the respective years. The relevant details as described above are as follows: [see note 3(k)]

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Weighted average number of shares for computation of basic earnings per share	1,593,794,088	1,556,765,804
Dilutive effect of outstanding stock options	1,011,998	7,731,566
Weighted average number of shares for computation of diluted earnings per share	1,594,806,086	1,564,497,370

37 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(A)	**CONTINGENT LIABILITIES [see note 1(c)]**		
(i)	**Claims not acknowledged as debts in respect of :**		
▪	Income-tax demands disputed by the Company (net of amounts provided). The matters in dispute are under appeal. The demands have been partly paid / adjusted and will be received as refund if the matters are decided in favour of the Company.	-	143.68
▪	Other claims	-	0.55
(ii)	**Guarantees issued:** As a part of project assistance, the Company has also provided the following guarantees:		
	Financial guarantees	-	129.28
	Performance guarantees	-	19.22
(iii)	Other financial guarantees	-	0.01
(B)	**CAPITAL COMMITMENTS**		
(i)	Uncalled liability on shares and other investments partly paid	67.00	1,650.34
(ii)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	69.43

38 The Company has entered into interest rate swaps in the nature of 'fixed / floating' or 'floating / fixed' for notional principal of ₹ Nil outstanding as on March 31, 2016 (Previous Year ₹ 4,646.00 crore) for varying maturities linked to various benchmarks for asset liability management and hedging.

The Company has foreign currency borrowings equivalent to ₹ Nil (Previous Year ₹ 8,761.93 crore), against which the Company has undertaken currency interest rate swaps and forward contracts to fully hedge foreign currency risk.

The Company has also entered in to coupon only currency swaps for notional principal equivalent to ₹ Nil (Previous Year ₹ 314.53 crore) and forward contracts of ₹ Nil (Previous Year ₹ 22.85 crore) to hedge the foreign currency risk towards interest on the foreign currency borrowings.

All outstanding interest rate swaps, currency interest rate swaps, forward contracts and coupon only swaps have been transferred to IDFC Bank Limited upon demerger of Financing Undertaking w.e.f October 1, 2015.

39 No principal and interest due thereon is outstanding and remaining unpaid to any 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006.
No amount is payable as interest in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 to any supplier beyond the appointed day during the year.

No amount is payable as interest for delay in making payment under the Micro, Small and Medium Enterprises Development Act, 2006.

No amount of interest has accrued and remained unpaid at the end of the year under the Micro, Small and Medium Enterprises Development Act, 2006.

The above information takes into account only those suppliers who have responded to inquiries made by the Company for this purpose.

40 IMPACT OF CHANGE IN ACCOUNTING POLICY - DEPRECIATION ON TANGIBLE FIXED ASSET

As a result of change in the policy of depreciation from written down value method to straight line method, the charge in the Statement of Profit & Loss Account for the year ended March 31, 2015 is lower by ₹ 84.30 crore (including write back of depreciation of ₹ 78.87 crore for the previous year ended March 31, 2014). Deferred tax liability of ₹ 16.23 crore (including ₹ 14.75 crore for previous year ended March 31, 2014) has been created on account of depreciation timing differences.

41 The following additional information is disclosed in terms of the RBI circular (Ref. No. DNBS (PD) CC No. 053 /03.10.119 / 2015-16 dated July 1, 2015):

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(A)	**CAPITAL TO RISK ASSETS RATIO (CRAR):**		
	CRAR (%)	92.15	24.28
	CRAR - Tier I Capital (%)	92.15	23.03
	CRAR - Tier II Capital (%)	-	1.25
	Amount of Subordinated Debt considered as Tier-II Capital	-	-
	Amount raised by issue of Perpetual Debt Instruments	-	-
(B)	**DETAILS OF INVESTMENTS ARE SET OUT BELOW:**		
1	**VALUE OF INVESTMENTS**		
(i)	**Gross Value of Investments**		
	(a) In India	9,242.33	30,810.23
	(b) Outside India	-	-
		9,242.33	30,810.23
(ii)	**Provision for Depreciation**		
	(a) In India	13.15	311.95
	(b) Outside India	-	-
		13.15	311.95
(iii)	**Premium amortised on debentures, bonds & government securities**		
	(a) In India	-	11.39
	(b) Outside India	-	-
		-	11.39
(iv)	**Net Value of Investments**		
	(a) In India	9,229.18	30,486.89
	(b) Outside India	-	-
		9,229.18	30,486.89
2	**MOVEMENT OF PROVISIONS HELD TOWARDS DEPRECIATION ON INVESTMENTS.**		
	(i) Opening balance	323.34	350.67
	(ii) Add : Provisions made during the year	710.18	99.69
	(iii) Add : Premium amortised on debentures, bonds and government securities	5.45	9.96
	(iv) Less : Provisions transferred on demerger of Financing Undertaking	(886.10)	-
	(v) Less : write-back of excess provisions during the year	(139.72)	(136.98)
	(vi) Closing balance	13.15	323.34

(C) 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, 2016		AS AT MARCH 31, 2015	
		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	8,829.41	8,863.92	1,039.83	1,476.85
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	18.28	196.70
2	Other than related parties	249.68	365.26	29,581.93	28,813.34
TOTAL		9,079.09	9,229.18	30,640.04	30,486.89

(D) DISCLOSURE ON RISK EXPOSURE ON DERIVATIVES

(A) QUALITATIVE DISCLOSURES:

(a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

The Company undertakes transactions in interest rate swaps, cross currency swaps, principal only swaps, coupon only swaps and forward contracts for hedging the interest rate and/or exchange rate risks on the balance sheet. These include mainly the hedging of interest rate on fixed rate rupee denominated liabilities and currency & interest rate risk on the foreign currency borrowings.

The Company's derivative transactions are governed by the foreign exchange and interest rate risk management policy, as approved by the Board. The risk limits are set up and reviewed periodically and the actual exposures are monitored against the limits allocated to the various counterparties. These limits are set up taking into account counterparty assessment and market factors.

The derivative transactions are originated by treasury front office in compliance with the limits as per the Company's policy and the RBI guidelines. The risk group independently monitors the risk limits associated with the derivative transactions and apprises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) for the compliance with the policy on derivatives. The treasury back office undertakes the activities of trade confirmation, settlement and accounting.

(b) Accounting policy for recording hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts

Interest rate swaps are booked with the objective of managing the interest rate risk on liabilities. Interest rate swaps in the nature of hedge are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of the hedge swaps is amortised over the life of the swap or underlying liability, whichever is shorter.

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of hedge swaps is amortised over the life of swap or underlying liability, whichever is shorter. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the balance sheet date are revalued using the closing rate.

(B) QUANTITATIVE DISCLOSURES:

(a) Disclosure in respect of Interest Rate Swaps (IRS) and Forward Rate Agreement (FRA) outstanding is set out below:

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(i)	Notional principal of swap agreements	-	11,326.30
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	399.82
(iii)	Collateral required by the Company upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	Fair value of the swap book	-	299.66

(b) Disclosure on risk exposure in Derivatives

(i) Quantitative disclosure on risk exposure in derivatives

(₹ IN CRORE)

SR. NO.	PARTICULARS	AS AT MARCH 31, 2016			
		CURRENCY DERIVATIVES			INTEREST RATE DERIVATIVES
		FORWARD CONTRACTS	CCS	OPTIONS	
1	Derivatives (Notional Principal Amount)	-	-	-	-
	(a) For hedging	-	-	-	-
2	Marked to Market Positions	-	-	-	-
	(a) Asset (+)	-	-	-	-
	(b) Liability (-)	-	-	-	-
3	Credit Exposure	-	-	-	-
4	Unhedged Exposures	-	-	-	-

(₹ IN CRORE)

SR. NO.	PARTICULARS	AS AT MARCH 31, 2015			
		CURRENCY DERIVATIVES			INTEREST RATE DERIVATIVES
		FORWARD CONTRACTS	CCS	OPTIONS	
1	Derivatives (Notional Principal Amount)				
	(a) For hedging	2,165.82	6,680.30	-	4,646.00
2	Marked to Market Positions				
	(a) Asset (+)	1.77	282.02	-	117.80
	(b) Liability (-)	(27.14)	(80.75)	-	(19.41)
3	Credit Exposure	45.09	680.38	-	184.51
4	Unhedged Exposures	-	-	-	-

(E) SECURITISATION

The Company sells loans through securitisation and direct assignment. The following table sets forth, the information on securitisation and direct assignment activity of the Company as an originator.

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
1	**No of SPVs sponsored by the Company for securitisation transaction**	-	-
2	**Total amount of securitised assets as per books of the SPVs sponsored by the Company**	-	-
3	**Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet**		
	(a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	(b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	**Amount of exposures to securitisation transactions other than MRR**		
	(a) Off-balance sheet exposures		
	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	(b) On-balance sheet exposures		
	Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	Exposure to third party securitisations		
	First loss	-	-
	Others	-	0.25

(F) DETAILS OF FINANCIAL ASSETS TRANSFERRED TO SECURITISATION / RECONSTRUCTION COMPANIES:

The Company has transferred certain assets to Asset Reconstruction Companies (ARC) for cash / security receipts. For the purpose of the valuation of the underlying security receipts issued by the underlying trusts managed by ARCs, the security receipts are valued in accordance with the RBI guidelines and provisioning policy of the Company.

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Number of accounts	5	1
Aggregate value (net of provisions) of accounts sold to ARC	0.75	53.88
Aggregate consideration :		
Security receipts	0.42	45.79
Cash	0.08	8.08
Aggregate gain over net book value not credited to the Statement of Profit and Loss	-	-
Aggregate loss over net book value credited to the Statement of Profit and Loss	(0.25)	-

(G) DETAILS OF NON-PERFORMING FINANCIAL ASSETS TRANSFERRED PURCHASED:

A Details of non-performing financial assets purchased:

(₹ IN CRORE)

			FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
1	(a)	Number of accounts purchased during the year	-	-
	(b)	Aggregate value (net of provision) outstanding	-	-
2	(a)	Of these, number of accounts restructured during the year	NA	NA
	(b)	Aggregate outstanding	NA	NA

B Details of non-performing financial assets sold:

(₹ IN CRORE)

		FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
1	Number of accounts sold during the year	-	-
2	Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC	-	-
3	Aggregate consideration received	-	-

(H) OTHER INFORMATION:

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
1	**Gross non - performing assets**		
	(a) Related parties	-	-
	(b) Other than related parties	-	357.57
2	**Net non - performing assets**		
	(a) Related parties	-	-
	(b) Other than related parties	-	119.57
3	**Assets acquired in satisfaction of debt**	-	-

(I) MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

(₹ IN CRORE)

	1 DAY TO 30/31 DAYS (ONE MONTH)	OVER ONE MONTH TO TWO MONTHS	OVER TWO MONTHS TO THREE MONTHS	OVER THREE MONTHS TO SIX MONTHS	OVER SIX MONTHS TO ONE YEAR	OVER ONE YEAR TO THREE YEARS	OVER THREE YEARS TO FIVE YEARS	OVER FIVE YEARS	TOTAL
Liabilities									
Borrowing from Banks	-	-	-	-	-	-	-	-	-
Market Borrowing	-	-	-	-	-	-	-	-	-
Assets									
Advances (net)	-	-	-	-	-	-	-	-	-
Investments	269.38	-	-	-	-	-	-	8,959.80	9,229.18

Previous Year

(₹ IN CRORE)

	1 DAY TO 30/31 DAYS (ONE MONTH)	OVER ONE MONTH TO TWO MONTHS	OVER TWO MONTHS TO THREE MONTHS	OVER THREE MONTHS TO SIX MONTHS	OVER SIX MONTHS TO ONE YEAR	OVER ONE YEAR TO THREE YEARS	OVER THREE YEARS TO FIVE YEARS	OVER FIVE YEARS	TOTAL
Liabilities									
Borrowing from Banks	50.00	-	25.00	150.00	2,032.73	4,758.18	2,811.71	-	9,827.62
Market Borrowing	12,703.71	1,354.18	478.14	2,183.22	4,355.87	9,261.53	5,709.14	20,378.12	56,423.91
Assets									
Advances (net)	1,033.17	679.83	691.86	2,603.21	3,554.74	2,384.43	20,618.99	22,941.13	54,507.36
Investments	14,407.33	122.97	24.37	0.04	0.08	108.33	436.55	15,387.22	30,486.89

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(J) EXPOSURES TO REAL ESTATE SECTOR (BASED ON AMOUNTS SANCTIONED):

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
DIRECT EXPOSURE			
(i)	Residential Mortgages	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
(ii)	Commercial Real Estate	-	2,959.49
	Lending fully secured by mortgage (including securities in the process of being created) on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.		
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	-	0.25
	b. Commercial Real Estate	-	-
INDIRECT EXPOSURE			
(i)	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	2,398.79
(ii)	Investment in venture capital funds which primarily invests into commercial real estates	-	213.04

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(K) EXPOSURES TO CAPITAL MARKET

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(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	137.73	1,456.13
(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	-	517.29
(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	-	108.25
(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	-	2,738.77
(vii)	Bridge loans to companies against expected equity flows/issues	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	70.00	1,482.11
TOTAL EXPOSURE TO CAPITAL MARKET		207.73	6,302.55

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(L) DETAILS OF SINGLE BORROWER LIMIT AND BORROWER GROUP LIMIT EXCEEDED BY THE COMPANY

During the years ended March 31, 2016 and March 31, 2015, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

(M) UNSECURED ADVANCES

The Company has made advances against intangible collaterals of the borrowers, which are classified as 'unsecured' in its financial statements at March 31, 2016 of ₹ Nil (March 31, 2015 ₹ 5,317.79 crore) and the estimated value of the intangible collaterals was ₹ Nil at March 31, 2016 (March 31, 2015: ₹ 9,233.13 crore).

(N) BORROWER GROUP-WISE CLASSIFICATION OF ASSETS FINANCED:

(₹ IN CRORE)

		AS AT MARCH 31, 2016 AMOUNT NET OF PROVISION *	AS AT MARCH 31, 2015 AMOUNT NET OF PROVISION *
1	**Related parties**		
	(a) Subsidiaries	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	461.60
2	**Other than related parties**	-	54,045.76
TOTAL		-	54,507.36

*excludes provision for contingencies and restructured loans

(O) PENALTIES / FINES IMPOSED BY THE RBI

During the year ended March 31, 2016 there was no penalty imposed by the RBI and other regulators (Previous Year Nil).

42 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, 2016	AS AT MARCH 31, 2015
Provisions for depreciation in value of investment	570.46	(37.54)
Provision towards non performing advances	775.85	125.60
Provision against restructured loans	77.38	368.21
Specific provision against identified advances	432.77	-
Provisions for contingencies	(1,587.49)	574.14
Contingent provision against standard assets	65.70	(13.59)
Provision for doubtful debts and others	(55.18)	1.73
Bad debts written off	97.69	-
Exceptional items (see note 28)	2,638.72	-
	3,015.90	1,018.55

(b) Draw Down from Reserves

During the current year, debenture redemption reserve has not been created as long term infrastructure bonds have been transferred to IDFC Bank Limited upon demerger of Financing Undertaking and as provided in the Scheme of Arrangement entire Debenture Redemption Reserve amount has been transferred to General Reserve. [see note 5(c)]

In accordance with the RBI approval, an amount equivalent to ₹ 1,634.80 crore is transferred from the non distributable Statutory Reserve to the balance of the Surplus in Statement of Profit and Loss in Reserves & surplus. [see note 5(e) & 28]

(c) (i) The information on concentration of advances* is given below:

		(₹ IN CRORE)
	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Total Advances to twenty largest borrowers	-	25,506.85
Percentage of advances to twenty largest borrowers to total advances of the Company	-	46%

* Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by the RBI

(ii) The information on concentration of exposure* is given below:

		(₹ IN CRORE)
	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Total Exposure customers to twenty largest borrowers/customers	-	34,739.13
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	-	46%

* Exposure includes credit exposure (funded and non-funded), derivative exposure and investment exposure (including underwriting and similar commitments)

(d) (i) The information on concentration of Non Performing Advances (NPAs) is given below:

		(₹ IN CRORE)
	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Total Exposure to top four NPA	-	289.13
	-	**289.13**

(ii) The information on sector-wise NPAs is given below:

Sr. No.	Sector	PERCENTAGE OF NPAS TO TOTAL ADVANCES IN THAT SECTOR	
		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	100%
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans	-	-

(iii) The information on movement of NPAs is given below:

			(₹ IN CRORE)
		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
1	**Net NPAs to Net Advances (%)**	-	0.22%
2	**Movement of NPAs (Gross)**		
	Opening balance	357.57	332.98
	Additions during the year	1,162.34	37.23
	Reductions during the year	52.61	12.64
	Transferred on demerger of Financing Undertaking	1,467.30	-
	CLOSING BALANCE	-	357.57
3	**Movement of Net NPAs**		
	Opening balance	119.57	220.58
	Additions during the year	379.35	(89.47)
	Reductions during the year	45.46	11.54
	Transferred on demerger of Financing Undertaking	453.46	-
	CLOSING BALANCE	-	119.57

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
4	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	Opening balance	238.00	112.40
	Provisions made during the year	782.99	126.70
	Write-back of excess provisions	(7.15)	(1.10)
	Transferred on demerger of Financing Undertaking	1,013.84	-
	CLOSING BALANCE	-	238.00

(e) The information on Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) is given below:

(₹ IN CRORE)

	AS AT MARCH 31, 2016		
NAME OF THE JOINT VENTURE/ SUBSIDIARY	OTHER PARTNER IN THE JV	COUNTRY	TOTAL ASSETS
	-	-	-

(₹ IN CRORE)

	AS AT MARCH 31, 2015		
NAME OF THE JOINT VENTURE/ SUBSIDIARY	OTHER PARTNER IN THE JV	COUNTRY	TOTAL ASSETS
	-	-	-

(f) The information on off balance sheet SPV sponsored (which are required to be consolidated as per accounting norms):

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015
1	Jetpur Somnath Tollways Private Limited	1	Jetpur Somnath Tollways Private Limited
2	Millennium City Expressway Private Limited	2	Millennium City Expressway Private Limited

(g) Disclosure of complaints

The following table sets forth, the movement and the outstanding number of complaints:

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2016
SHAREHOLDERS' COMPLAINTS:		
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	1,187	668
No. of complaints disposed off during the year	1,187	668
No. of complaints remaining unresolved at the end of the year	Nil	Nil
INFRASTRUCTURE RETAIL BONDHOLDERS' COMPLAINTS: (UPTO SEPTEMBER 30, 2015)		
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	5,307	9,553
No. of complaints disposed off during the year	5,307	9,553
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.

43 DISCLOSURE ON ACCOUNTS SUBJECTED TO RESTRUCTURING

(as required by RBI guidelines under reference RBI circular (Ref. No. DNBR (PD) CC No.043/03.10.119/2015-16 dated July 1, 2015)) :

(₹ IN CRORE)

SR. NO.	TYPE OF RESTRUCTURING		UNDER CORPORATE DEBT RESTRUCTURING (CDR) MECHANISM					UNDER SME DEBT RESTRUCTING MECHANISM					OTHERS					TOTAL				
	ASSET CLASSIFICATION		STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL
	DETAILS																					
1	Restructured accounts as on April 1, 2015	No. of borrowers	-	-	-	-	-	-	-	-	-	-	23	2	-	-	25	23	2	-	-	25
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	4,743.86	105.98	-	-	4,849.84	4,743.86	105.98	-	-	4,849.84
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	64.66	-	-	-	64.66	64.66	-	-	-	64.66
		Provision thereon	-	-	-	-	-	-	-	-	-	-	492.75	50.00	-	-	542.75	492.75	50.00	-	-	542.75
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Increase / (decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2016	Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	213.10	-	-	-	213.10	213.10	-	-	-	213.10
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	1,695.35	-	-	-	1,695.35	1,695.35	-	-	-	1,695.35
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)	(1)	-	-	-	(1)
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	(123.68)	-	-	-	(123.68)	(123.68)	-	-	-	(123.68)
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(6.27)	-	-	-	(6.27)	(6.27)	-	-	-	(6.27)
6	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(6)	4	2	-	-	(6)	4	2	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	(1,085.56)	1,006.03	104.94	-	25.41	(1,085.56)	1,006.03	104.94	-	25.41
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	(64.66)	-	37.87	-	(26.79)	(64.66)	-	37.87	-	(26.79)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(94.29)	714.35	55.50	-	675.56	(94.29)	714.35	55.50	-	675.56
7	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)											-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Restructured accounts transferred on pursuant to demerger (See note 1)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	16	6	2	-	24	16	6	2	-	24
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	3,747.72	1,112.01	104.94	-	4,964.67	3,747.72	1,112.01	104.94	-	4,964.67
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	37.87	-	37.87	-	-	37.87	-	37.87
		Provision thereon	-	-	-	-	-	-	-	-	-	-	2,087.54	764.35	55.50	-	2,907.39	2,087.54	764.35	55.50	-	2,907.39
9	Restructured accounts as on March 31, 2016	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

44 DISCLOSURE ON ACCOUNTS SUBJECTED TO RESTRUCTURING (PREVIOUS YEAR)

(₹ IN CRORE)

SR. NO.	TYPE OF RESTRUCTURING		UNDER CORPORATE DEBT RESTRUCTURING (CDR) MECHANISM					UNDER SME DEBT RESTRUCTING MECHANISM					OTHERS					TOTAL				
	ASSET CLASSIFICATION		STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL	STANDARD	SUB STANDARD	DOUBTFUL	LOSS	TOTAL
	DETAILS																					
1	Restructured accounts as on April 1, 2014	No. of borrowers	-	-	-	-	-	-	-	-	-	-	16	2	-	-	18	16	2	-	-	18
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	2,699.41	106.04	-	-	2,805.45	2,699.41	106.04	-	-	2,805.45
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	60.00	-	-	-	60.00	60.00	-	-	-	60.00
		Provision thereon	-	-	-	-	-	-	-	-	-	-	158.03	46.60	-	-	204.63	158.03	46.60	-	-	204.63
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	9	-	-	-	9	9	-	-	-	9
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	2,288.59	-	-	-	2,288.59	2,288.59	-	-	-	2,288.59
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	256.70	-	-	-	256.70	256.70	-	-	-	256.70
3	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Movement for balance in account appearing in opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2)	-	-	-	(2)	(2)	-	-	-	(2)
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	(254.29)	-	-	-	(254.29)	(254.29)	-	-	-	(254.29)
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	(46.00)	-	-	-	(46.00)	(46.00)	-	-	-	(46.00)
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(12.72)	-	-	-	(12.72)	(12.72)	-	-	-	(12.72)
5	Increase / (decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2015	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	10.15	(0.06)	-	-	10.09	10.15	(0.06)	-	-	10.09
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	50.66	-	-	-	50.66	50.66	-	-	-	50.66
		Provision thereon	-	-	-	-	-	-	-	-	-	-	90.74	3.40	-	-	94.14	90.74	3.40	-	-	94.14
6	Advances not shown as restructured standard advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Down gradation of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Write-offs restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Restructured accounts as on March 31, 2015 (see note 1 below)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	23	2	-	-	25	23	2	-	-	25
		Amount outstanding (restructured facility)	-	-	-	-	-	-	-	-	-	-	4,743.86	105.98	-	-	4,849.84	4,743.86	105.98	-	-	4,849.84
		Amount outstanding (other facility)	-	-	-	-	-	-	-	-	-	-	64.66	-	-	-	64.66	64.66	-	-	-	64.66
		Provision thereon	-	-	-	-	-	-	-	-	-	-	492.75	50.00	-	-	542.75	492.75	50.00	-	-	542.75

Note:

1. Excludes provision for net present value of ₹ 0.49 crore (Previous Year ₹ Nil) created on one loan account.

45 RATINGS ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(i)	Rating Assigned	Long Term 'AAA', Short Term 'A1+'	Long Term 'AAA', Short Term 'A1+'
(ii)	Date of Rating	Long Term - 10-07-2015; Short term - 10-07-2015	Long Term - 04-03-2015; Short term - 04-03-2015
(iii)	Rating Valid upto (see note below)	-	Short Term - 31-03-2016
(iv)	Name of the Rating Agency	ICRA Limited	ICRA Limited

Note: Ratings are withdrawn effective October 1, 2015 on account of transfer of all liabilities pertaining to Financing Undertaking to IDFC Bank Limited pursuant to Scheme of Arrangement.

46 The following additional information is disclosed in terms of the RBI circular (Ref. No. RBI/2009-2010/356/DMD/4135/11.08.43/2009-10) dated March 23, 2010:

Repo Transactions (in face value terms)

(₹ IN CRORE)

	YEAR ENDED MARCH 31, 2016				YEAR ENDED MARCH 31, 2015			
	MINIMUM OUTSTANDING DURING THE YEAR	MAXIMUM OUTSTANDING DURING THE YEAR	DAILY AVERAGE OUTSTANDING DURING THE YEAR	OUTSTANDING AS AT MARCH 31, 2016	MINIMUM OUTSTANDING DURING THE YEAR	MAXIMUM OUTSTANDING DURING THE YEAR	DAILY AVERAGE OUTSTANDING DURING THE YEAR	OUTSTANDING AS AT MARCH 31, 2015
SECURITIES SOLD UNDER REPOS								
(i) Government securities	-	5,410.72	2,416.17	-	1,401.67	9,874.78	6,528.35	5,889.14
(ii) Corporate debt securities	-	-	-	-	-	75.00	0.21	-
SECURITIES PURCHASED UNDER REVERSE REPOS								
(i) Government securities	-	551.34	3.70	-	-	421.36	1.15	-
(ii) Corporate debt securities	-	-	-	-	-	-	-	-

47 The figures for the previous year have been reclassified, wherever necessary to conform with the current year's classification / disclosure.

48 The figures of ₹ 50,000 or less have been denoted by ß.

For and on behalf of the Board of Directors of

IDFC Limited

Vinod Rai
Non-Executive Chairman

Vikram Limaye
Managing Director & CEO

Bipin Gemani
Chief Financial Officer

Ketan Kulkarni
Company Secretary

Mumbai | April 29, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IDFC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of IDFC LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 and its associates as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 3 to the consolidated financial statements which describes the demerger of the financial undertaking of the Holding Company, as defined in the Scheme of Arrangement under section 391-394 of the Companies Act, 1956 approved by the Hon'ble Madras High Court vide its order dated June 25, 2015 into the IDFC Bank Limited with effect from October 1, 2015.

Our opinion is not modified in respect of this matter.

Other Matters

a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 486.60 crore as at 31st March, 2016, total revenues of ₹ 329.78 crore and net cash flows amounting to ₹ (1.70) crore 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 of ₹ 2.13 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, 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 associate, is based solely on the reports of the other auditors.

b) We did not audit the financial statements of one subsidiary, whose financial statement reflect total assets of ₹ 19.97 crore as at 31st March, 2016, total revenues of ₹ Nil and net cash flows amounting to ₹ 0.70 crore 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 loss of ₹ 67.11 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of two associates, 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 subsidiary 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 financial statements are not material to the Group.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

   b) 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.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding company, subsidiary companies and associate company incorporated in India.

   g) With respect to the other matters to be included in the Auditors' 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:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 40 to the consolidated financial statements.

      ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of IDFC LIMITED (hereinafter referred to as the "Holding Company"), its subsidiary companies, and its associates which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its associate company, which are companies incorporated in India, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries companies and one associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

(₹ IN CRORE)

	NOTES	AS AT MARCH 31, 2016	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	8	1,594.02		1,592.78
(b) Reserves and surplus	9	8,508.97		15,681.73
			10,102.99	17,274.51
Share application money pending allotment	10		5.66	2.22
Minority Interest	11		6,635.17	44.21
Non-current liabilities				
(a) Long-term borrowings	12	43,184.88		42,918.69
(b) Other long-term liabilities	13	658.66		356.27
(c) Deferred tax liability (net)	22	17.61		6.01
(d) Long-term provisions	14	336.67		136.82
			44,197.82	43,417.79
Current liabilities				
(a) Short-term borrowings	15	7,464.42		12,085.77
(b) Trade payables	16			
(i) Total outstanding dues of micro enterprises and small enterprises		-		-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		463.26		530.06
(c) Other current liabilities	17	8,351.16		13,171.76
(d) Short-term provisions	18	402.40		541.91
			16,681.24	26,329.50
TOTAL			77,622.88	87,068.23
ASSETS				
Non-current assets				
(a) Fixed assets				
(i) Tangible assets	19 (a)	534.53		409.49
(ii) Intangible assets	19 (b)	233.74		3.30
(iii) Intangible assets under development		29.19		13.75
			797.46	426.54
(b) Goodwill on consolidation	20		957.09	957.09
(c) Non-current investments	21		3,696.57	14,610.47
(d) Deferred tax asset (net)	22		1,740.01	751.29
(e) Long-term loans and advances				
(i) Loans	23	39,934.57		47,172.47
(ii) Others	24	1,000.92		629.74
			40,935.49	47,802.21
(f) Other non-current assets	25		179.47	212.04
			48,306.09	64,759.64
Current assets				
(a) Current investments	26		17,368.91	15,364.92
(b) Trade receivables	27		35.87	44.86
(c) Cash and bank balances	28		3,034.14	300.08
(d) Short-term loans and advances				
(i) Loans	23	6,966.62		5,254.16
(ii) Others	24	382.32		322.15
			7,348.94	5,576.31
(e) Other current assets	25		1,528.93	1,022.42
			29,316.79	22,308.59
TOTAL			77,622.88	87,068.23

See accompanying notes forming part of the financial statements (see note 1 to 45)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

P.R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

For and on behalf of the Board of Directors of
IDFC Limited

Vinod Rai
Non-Executive Chairman

Bipin Gemani
Chief Financial Officer

Vikram Limaye
Managing Director & CEO

Ketan Kulkarni
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2016

(₹ IN CRORE)

		NOTES	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
I	**INCOME**			
	Revenue from Operations	29	9,035.73	9,639.82
	Other income	30	28.08	82.65
	TOTAL INCOME (I)		9,063.81	9,722.47
II	**EXPENSES**			
	Employee benefits expense	31	640.04	388.15
	Finance costs	32	5,829.00	5,657.75
	Provisions and contingencies	33	326.74	1,013.38
	Other expenses	34	526.25	378.35
	Depreciation and amortisation expense	19 (a)&(b) & 44	62.38	(61.30)
	TOTAL EXPENSES (II)		7,384.41	7,376.33
III	**PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (I - II)**		1,679.40	2,346.14
IV	Exceptional items	4	(2,638.72)	-
V	**PROFIT BEFORE TAX (III+IV)**		(959.32)	2,346.14
VI	**TAX EXPENSE**			
	Current tax		657.02	992.87
	Deferred tax		(977.09)	(290.08)
	Tax adjustment for prior years		(47.85)	(106.59)
	Minimum alternate tax (credit) / charge		0.46	0.07
	TOTAL TAX EXPENSE (VI)		(367.46)	596.27
VII	**PROFIT AFTER TAX (BEFORE SHARE OF LOSS FROM ASSOCIATES AND ADJUSTMENT FOR SHARE OF MINORITY INTEREST) (V-VI)**		(591.86)	1,749.87
VIII	Share of net loss from associates		(64.98)	(22.13)
IX	Share of profit of minority interest	11	(277.96)	(20.79)
X	**PROFIT FOR THE PERIOD (VII+VIII+IX)**		(934.80)	1,706.95
XI	**EARNINGS PER EQUITY SHARE (NOMINAL VALUE OF SHARE ₹ 10 EACH)**			
	Basic (₹)		(5.87)	10.96
	Diluted (₹)		(5.87)	10.91

See accompanying notes forming part of the financial statements (see note 1 to 45)

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

P.R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

For and on behalf of the Board of Directors of
IDFC Limited

Vinod Rai
Non-Executive Chairman

Bipin Gemani
Chief Financial Officer

Vikram Limaye
Managing Director & CEO

Ketan Kulkarni
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(₹ IN CRORE)

	NOTES	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax			(959.32)	2,346.14
Adjustments for:				
Depreciation and amortisation expense	19(a)&(b)	62.38		(61.30)
Provision for employee benefits		9.99		(1.64)
Provisions and contingencies	33	326.74		1,013.38
Exceptional Items - Provisions and contingencies	4	2,638.72		-
Interest expense	32	5,451.22		5,400.51
Interest Income	29(a)	(7,600.51)		(8,068.80)
Provision utilised against non-performing loans / other receivables		-		(123.04)
Amortisation / (writeback) of premium on long term investments		(11.39)		9.96
Unrealised loss on foreign currency revaluation		(250.46)		523.27
Profit on sale of other investments (net)	29(d)	(765.89)		(936.03)
Foreign currency translation reserve	7(s)	11.93		7.20
(Profit)/ loss on sale of fixed assets (net)	34	3.27		1.13
Interest paid		(4,906.77)		(5,079.34)
Interest received		7,834.29		8,184.80
			2,803.52	870.10
Operating profit before working capital changes			1,844.20	3,216.24
Changes in working capital:				
Adjustments for (increase)/ decrease in operating assets				
Trade receivables		8.98		108.72
Long-term loans & advances		(313.40)		(36.66)
Short-term loans & advances		(70.25)		(35.84)
Other non-current assets		22.56		20.06
Other current assets		(730.28)		(35.06)
Adjustments for increase/ (decrease) in operating liabilities				
Trade payables		(66.80)		136.60
Other long-term liabilities		14.31		(10.69)
Other current liabilities		258.99		(10.01)
			(875.89)	137.12
Direct taxes paid			(1,152.38)	(932.49)
CASH GENERATED FROM OPERATIONS			(184.07)	2,420.87
Loans (disbursed) / repaid (net)			3,177.74	5,102.95
NET CASH FROM / (USED IN) OPERATING ACTIVITIES			2,993.67	7,523.82

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2016

(₹ IN CRORE)

	NOTES	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (including intangible assets under development)			(437.78)	(44.08)
Sale of fixed assets			1.22	6.20
Purchase of other investments			(883,271.25)	(703,256.46)
Sale proceed / repayment of investment in subsidiaries			-	638.87
Sale proceeds of other investments			892,354.38	685,027.78
Opening adjustment	6&9(k)		(7.00)	-
NET CASH FROM / (USED IN) INVESTING ACTIVITIES			8,639.57	(17,627.69)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from fresh issue of shares (net of issue expenses)			18.93	1,022.70
Proceeds from borrowings			2,271,589.79	2,991,701.09
Repayment of borrowings			(2,281,088.19)	(2,982,233.25)
Dividend paid (including dividend distribution tax)			498.78	(464.25)
Increase / (Decrease) in minority interest	11		90.08	(16.74)
NET CASH FROM FINANCING ACTIVITIES			(8,890.61)	10,009.55
Net increase / (decrease) in cash and cash equivalents (A+B+C)			2,742.63	(94.32)
Cash and cash equivalents as at the beginning of the year	28		225.11	319.43
Cash and cash equivalents as at the end of the year	28		2,967.74	225.11
			2,742.63	(94.32)

See accompanying notes forming part of the consolidated financial statements (see note 1 to 45).

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

P.R. Ramesh
Partner
(Membership No. 70928)

Mumbai | April 29, 2016

For and on behalf of the Board of Directors of
IDFC Limited

Vinod Rai
Non-Executive Chairman

Vikram Limaye
Managing Director & CEO

Bipin Gemani
Chief Financial Officer

Ketan Kulkarni
Company Secretary

01 GROUP INFORMATION

IDFC Limited ('the Holding Company') is a public company, incorporated in India and regulated by the Reserve Bank of India ('the RBI') as a Non Banking Finance Company ('NBFC'). During the year ended March 31, 2016, one of the subsidiary, IDFC Bank Limited ('the Bank') commenced Banking Operations with effect from October 1, 2015 on receipt of final Banking license from the RBI after satisfying the conditions as prescribed under the New Banking guidelines and the in-principal approval from the RBI to set up an Universal Bank. Under the New Banking guidelines, all banking business including the lending business must be carried out only by Bank. Accordingly, under the Scheme of Arrangement u/s. 391-394 of the Companies Act, 1956 ('Scheme of Arrangement') between IDFC Limited ('Transferor Company') and IDFC Bank Limited ('Transferee Company') and their respective shareholders and creditors as approved by the Hon'ble Madras High court, the Financing Undertaking as defined under the Scheme of Arrangement was demerged from IDFC Limited to IDFC Bank Limited. In consideration of the demerger of the Financing Undertaking to IDFC Bank Limited, equity shares of IDFC Bank Limited were issued to the shareholders of IDFC Limited in the proportion of 1:1 for equity shares held of IDFC Limited.

The Financing Undertaking comprises of all outstanding loans and deposits, borrowings, investments, current assets, sundry debtors, all debts, liabilities including contingent liabilities, licenses, approvals, tax credit, properties - movable and immovable, plant and machinery, furniture and fixtures, office equipment, software and licenses, insurance, policies, all contracts, agreements, collateral, all staff and employees employed in connection with Financing Undertaking etc.

Under the New Banking Guidelines all investment in Bank must be held through a Non Operative Financial Holding Company (NOFHC) and all investments in financial services entities regulated by the RBI or other financial sector regulator must be held through NOFHC. Accordingly investments in IDFC Securities Limited, IDFC Alternatives Limited, IDFC Infra Debt Fund Limited, IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC Trustee Company Limited were transferred to IDFC Financial Holding Company Limited ('IDFC FHCL' or 'NOFHC'). Under the New Banking guidelines the NOFHC must hold 40% of the Bank's equity shares for a minimum period of 3 years.

Pursuant to the guidelines and transfer of the investments in the financial services entities under IDFC Financial Holding Company Limited, IDFC Limited holds 100% of IDFC FHCL and IDFC FHCL in turn holds 53% of equity shares of IDFC Bank Limited and 47% of the equity shares of IDFC Bank Limited were issued to the shareholders of IDFC Limited on demerger of Financing Undertaking. The Holding Company and its fifteen subsidiary companies, one entity over which the Holding Company has indirect control and four jointly controlled entities constituted the Group. The Group also has three associate companies. The Group is engaged in banking business, asset management and investment banking & institutional broking."

02 BASIS OF PREPARATION

The Consolidated Financial Statements of the Group have been prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards as specified under Section 133 of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act") as applicable. The financial statements have been prepared on the accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year unless stated otherwise.

03 DEMERGER OF FINANCING UNDERTAKING

Pursuant to the filing and approval of the Scheme of Arrangement between IDFC Limited ('Transferor Company') and IDFC Bank Limited ('Transferee Company') and their respective shareholders and creditors, by the Hon'ble Madras High Court vide its order dated June 25, 2015 and on fulfillment of all conditions specified under the Scheme of Arrangement and on receipt of the final banking license from the RBI by IDFC Bank Limited, the Financing Undertaking of the Transferor Company was transferred at the book value to the Transferee Company with effect from October 1, 2015. Accordingly, assets aggregating to ₹ 66,237.46 crore and liabilities aggregating to ₹ 60,002.90 crore, resulting in net assets of ₹ 6,234.56 crore along with contingent liabilities of ₹ 285.63 crore, capital commitment of ₹ 840.05 crore and notional principal of derivative contracts of ₹ 13,903.57 crore pertaining to the Financing Undertaking were transferred from Transferor Company to Transferee Company.

In consideration, the Transferee Company issued equity shares of Face value ₹ 10 each in the ratio of 1:1 to the shareholders of Transferor Company on the record date as determined by the Board of Directors. The Company through its wholly owned subsidiary, IDFC FHCL, has invested ₹ 7,030.07 crore resulting in effective equity holding of 53% in IDFC Bank Limited.

In accordance with the accounting treatment, as provided under the Scheme of Arrangement;

(i) The credit balance in the debenture redemption reserve is transferred and credited to general reserve;

(ii) IDFC has reduced the book value of assets (net of diminution/depreciation, if any) and liabilities relating to the Financing Undertaking transferred to IDFC Bank Limited;

(iii) The excess of book value of the assets transferred (net of diminution/depreciation, if any) over the book value of the liabilities of the Financing Undertaking transferred to the transferee company, is debited proportionately to Reserves and Surplus (including the Securities Premium Account) other than statutory reserves created under Section 45IC of the Reserve Bank of India Act, 1934, under section 36(1)(viii) of the Income tax Act, 1961 and the stock option outstanding reserve as described in

(iv) below. Accordingly, adjustments are made in Securities Premium Account ₹ 3,701.31 crore, General Reserve ₹ 918.87 crore, Statement of Profit and Loss account of ₹ 1,607.80 crore and Stock Option Outstanding Account of ₹ 6.56 crore on demerger of Financing Undertaking of IDFC Limited into IDFC Bank Limited;

(iv) Stock option outstanding reserve is reduced in the proportion of the net book value of the Financing Undertaking to the net worth of transferor company

Details of net assets transferred on demerger of Financing Undertaking of IDFC Limited are as under:

	(₹ IN CRORE)
Cash and bank balances	2.55
Balances with banks and money at call and short notice	1,190.07
Investments	18,464.25
Advances	41,936.63
Fixed assets	535.16
Other assets	4,108.80
	66,237.46
Less: Borrowings	56,720.74
Other liabilities and provisions	3,282.16
	60,002.90
Net Assets	6,234.56

04 EXCEPTIONAL ITEMS:

Pursuant to the approval granted by the Reserve Bank of India ("RBI") vide letter no. DNBR.CO.PD.No. 295/03.10.001/2014-15 dated August 11, 2015, to utilise the balance in Statutory Reserves to create specific provision against identified stressed assets, the Holding Company has created specific provisions of ₹ 2,500.00 crore on such assets. This one time provision along with reversal of unrealised interest of ₹ 138.72 crore on stressed assets have been charged to the Statement of Profit and Loss and classified as exceptional item. In accordance with the RBI approval, an amount equivalent to ₹ 1,634.80 crore (provisions of ₹ 2,500.00 crore net of deferred tax asset of ₹ 865.20 crore) is transferred from Special Reserve u/s 45IC of RBI Act, 1934 to the balance of the surplus in Statement of Profit and Loss in Reserves and Surplus.

05 BASIS OF CONSOLIDATION

(a) The Consolidated Financial Statements comprise the individual financial statements of the Holding Company, its subsidiaries and associates as on March 31, 2016 and for the year ended on that date. The Consolidated Financial Statements have been prepared on the following basis:

i. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as notified under Section 133 of the Companies Act, 2013 to the extent applicable and practices generally prevalent in the banking industry in India.

ii. Investments in associates by the Holding Company and its subsidiaries are accounted under the equity method and its share of pre-acquisition profits / losses is reflected as capital reserve / goodwill in the carrying value of investments in accordance with Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' as specified under Section 133 of the Companies Act, 2013 to the extent applicable.

iii. The financial statements of the subsidiaries and the associates used in the consolidation are drawn up to the same Balance Sheet date as that of the Holding Company, i.e. March 31, 2016.

iv. The excess of the cost to the Holding Company of its investment in the subsidiaries and the associates over the Holding Company's portion of equity is recognised in the financial statements as goodwill and is tested for impairment on an annual basis.

v. The excess of the Holding Company's portion of equity of the subsidiaries and the associates on the acquisition date over its cost of investment is treated as capital reserve.

vi. Minority interest in the net assets of the subsidiaries consists of the amount of equity attributable to minorities at the date on which investment in a subsidiary is made. Net profit / loss for the year of the subsidiaries attributable to minorities is identified and adjusted against the consolidated profit after tax of the Group.

vii. In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

viii The Holding company accounts for investments in associates in accordance with AS-23, Accounting for Investments in Associates in Consolidated Financial Statements, notified under Section 133 of the Companies Act, 2013 using the equity method of accounting. Accordingly, the increase / decrease in value of investments under equity method is accounted in the Statement of Profit and Loss or corresponding Reserves as Share of Profit / Loss from Associates.

(b) The financial statements of the following subsidiaries have been consolidated as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under Section 133 of the Companies Act, 2013:

	NAME OF SUBSIDIARY	MARCH 31, 2016 PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)	MARCH 31, 2015 PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)
i.	IDFC Alternatives Limited [see note 6(i) & (iii)] (subsidiary of IDFC Financial Holding Company w.e.f. July 10, 2015)	100.00	100.00
ii.	IDFC Asset Management Company Limited [see note 6(i) & (iv)] (subsidiary of IDFC Financial Holding Company w.e.f. July 10, 2015)	75.00	75.00
iii.	IDFC AMC Trustee Company Limited [see note 6(i)] (subsidiary of IDFC Financial Holding Company w.e.f. July 10, 2015)	75.00	75.00
iv.	IDFC Capital (Singapore) Pte. Limited [see note 6(vii)] (Subsidiary of IDFC Securities Limited upto March 26, 2015) (Subsidiary of IDFC Alternatives Limited w.e.f. March 26, 2015)	100.00	100.00
v.	IDFC Capital (USA) Inc. (Subsidiary of IDFC Securities Limited)	100.00	100.00
vi.	IDFC Finance Limited [see note 6(viii)] (subsidiary of IDFC Projects Limited w.e.f. September 28, 2015)	100.00	100.00
vii.	IDFC Infra Debt Fund Limited@ [see note 6(i) & (ix)] (Subsidiary of IDFC Financial Holding Company Limited w.e.f. July 10, 2015)	81.48	100.00
viii	IDFC Investment Advisors Limited [see note 6(iv)] (Merged with IDFC Asset Management Company Limited w.e.f. April 1, 2015)	-	75.00
ix	IDFC Investment Managers (Mauritius) Limited (Subsidiary of IDFC Asset Management Company Limited)	75.00	75.00
x	IDFC Projects Limited	100.00	100.00
xi	IDFC Securities Limited [see note 6(i)] (Subsidiary of IDFC Financial Holding Company Limited w.e.f. July 10, 2015)	100.00	100.00
xii	IDFC Securities Singapore Pte. Limited (Subsidiary of IDFC Securities Limited w.e.f. November 1, 2013)	100.00	100.00
xiii	IDFC Trustee Company Limited [see note 6(i)] (Subsidiary of IDFC Financial Holding Company Limited w.e.f. July 10, 2015)	100.00	100.00
xiv	IDFC Bank Limited@ [see note 6(ii)] (Incorporated on October 21, 2014, Subsidiary of IDFC Financial Holding Company Limited w.e.f. December 26, 2014)	52.98	100.00
xv	IDFC Financial Holding Company Limited [see note 6(i)] (Incorporated on November 7, 2014)	100.00	100.00

@ Consequent to the dilution in the proportion of effective ownership in these subsidiaries, the consolidated net worth of the current year is lower by ₹ 6,583.37 crore (Previous Year ₹ Nil) and the consolidated profit of the current year is lower by ₹ 250.50 crore (Previous Year ₹ Nil).

All the subsidiaries are incorporated in India, except:

i. IDFC Capital (Singapore) Pte. Limited, a Company incorporated in Singapore.

ii. IDFC Capital (USA) Inc., a Company incorporated in the United States of America.

iii. IDFC Investment Managers (Mauritius) Limited, a Company incorporated in Mauritius.

iv. IDFC Securities Singapore Pte. Limited, a Company incorporated in Singapore.

(c) The Holding Company has made an investment in IDFC Foundation, a Section 8 company under Companies Act, 2013, wherein the profits will be applied for promoting its objects. Accordingly, the Consolidated Financial Statements of IDFC Foundation are not consolidated in these financial statements, since the Holding Company will not derive any economic benefits from its investments in IDFC Foundation.

(d) During the previous year the Holding Company has increased its share of investment in equity shares of Neopro Technologies Private Limited from 80.44% to 100.00%. However, the Company was not consolidated as a subsidiary since the shares were held exclusively with a view to dispose off in the near future. During the previous year the Holding Company had disposed off its investment in equity and preference shares of Neopro Technologies Private Limited and hence it had ceased to be a subsidiary w.e.f September 29, 2014.

(e) The Holding Company held 100% of equity shares in Galaxy Mercantiles Limited during the previous year. However, this entity was not consolidated as a subsidiary since the shares were held exclusively with a view to dispose off in the near future. During the previous year, the Holding Company had disposed off its investment in equity shares of Galaxy Mercantiles Limited.

(f) The Holding Company and its subsidiary company has investment in three associates which are accounted for under the equity method in accordance with Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' as specified under Section 133 of the Companies Act, 2013.

NAME OF ASSOCIATE	FACE VALUE (₹)	AS AT MARCH 31, 2016 NUMBER OF SHARES	PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)
i. Jetpur Somnath Tollways Private Limited (Associate of IDFC Projects Limited)	10.00	42,637,400	26.00
ii. Feedback Infra Private Limited (Associate of IDFC Bank Limited)	10.00	4,026,689	13.04
iii. Millennium City Expressways Private Limited (Associate of IDFC Bank Limited)	10.00	194,000,000	15.83

NAME OF ASSOCIATE	FACE VALUE (₹)	AS AT MARCH 31, 2015 NUMBER OF SHARES	PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)
i. Jetpur Somnath Tollways Private Limited (Associate of IDFC Projects Limited)	10.00	42,637,400	26.00
ii. Feedback Infra Private Limited (Associate of Holding Company)	10.00	4,026,689	24.61
iii. Millennium City Expressways Private Limited (Associate of Holding Company)	10.00	176,608,965	29.88

06 CHANGE IN HOLDING IN SUBSIDIARIES AND ASSOCIATES:

(i) IDFC Financial Holding Company Limited was incorporated on November 7, 2014 as a direct subsidiary of the Holding Company. The shares of IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC Trustee Company Limited, IDFC Securities Limited, IDFC Infra Debt Fund Limited were transferred by the Holding Company to IDFC Financial Holding Company Limited on July 9, 2015.

(ii) IDFC Bank Limited was incorporated on October 21, 2014 as a direct subsidiary of the Holding Company. The shares of IDFC Bank Limited were transferred by the Holding Company to IDFC Financial Holding Company Limited on December 26, 2014. Consequently, IDFC Bank Limited is now an indirect subsidiary of the Holding Company.

(iii) During the previous year, IDFC Alternatives Limited, a wholly owned subsidiary of the Holding Company, had received order from Hon'ble Bombay High Court dated January 30, 2015 for merger of IDFC Project Equity Company Limited, IDFC Primary Dealership Company Limited and IDFC Housing Finance Company Limited with IDFC Alternatives Limited. The Hon'ble Bombay High Court order was filed with ROC on March 12, 2015.

(iv) During the previous year, IDFC Asset Management Company Limited had filed a petition with the Hon'ble Bombay High Court on December 26, 2014 to obtain its sanction to a Scheme of Amalgamation for merger of IDFC Investment Advisors Limited, a subsidiary of IDFC Asset Management Company Limited with IDFC Asset Management Company Limited. IDFC Asset Management Company Limited and IDFC Investment Advisors Limited received the sanction and have since merged in accordance to the Scheme of Amalgamation with effect from April 1, 2015.

(v) The Holding Company subscribed to 29.88% equity stake in Millennium City Expressways Private Limited and hence consolidated as an associate during the previous year.

(vi) During the previous year, IDFC Fund of Funds Limited had applied for voluntary winding up and on February 20, 2015 the name was struck off from Guernsey registry.

(vii) As a part of Corporate reorganisation investment in IDFC Capital (Singapore) Pte Limited was transferred by IDFC Securities Limited to IDFC Alternatives Limited on March 26, 2015. Accordingly, IDFC Capital (Singapore) Pte Limited is subsidiary of IDFC Alternatives Limited.

(viii) IDFC Projects Limited purchased 100% stake in IDFC Finance Limited from IDFC Limited, the holding company on September 28, 2015. Subsequently, IDFC Finance Limited and IDFC Projects Limited has filed a Scheme of Arrangement with the Hon'ble High Court of Bombay on January 18, 2016 for amalgamation of IDFC Finance Limited with IDFC Projects Limited.

(ix) During the year, IDFC Infra Debt Fund Limited has issued 18.52% of its equity shares on preferential basis to external shareholders.

(x) During the year, IDFC Bank Limited alloted 47% of its equity shares to the shareholders of IDFC Limited on demerger of Financing Undertaking.

Consequent to the changes in the ownership interest as detailed above, certain previous year balances have been considered on current ownership and accordingly the same is reflected in the 'Surplus in the Statement of Profit and Loss' as 'Opening Adjustment'.

07 SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents for the purpose of the Cash Flow Statement comprises cash on hand, cash in bank, fixed deposits and other short-term highly liquid investments with an original maturity of three months or less, that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

(b) Cash flow statement

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Group are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

(c) Investments

Holding Company & NBFC in the Group

- Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as specified under Section 133 of the Companies Act, 2013. Current investments also include current maturities of long-term investments and also current portion of long-term investments. All other investments are classified as long-term investments.
- All investments are initially recorded at cost. The cost of an investment includes purchase price, directly attributable acquisition charges and reduced by recovery of costs, if any. On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged or credited to the Statement of Profit and Loss. Purchase and sale of investments are recorded on trade date.
- Current investments are valued scrip-wise and depreciation / appreciation is aggregated for each category. Net appreciation in each category, if any, being unrealised gain is ignored, while net depreciation is provided for. Commercial papers, certificate of deposits and treasury bills are valued at carrying cost. Long-term investments are carried at acquisition cost. A provision is made for diminution other than temporary on an individual basis against long-term investments. Premium paid over the face value of long-term investments is amortised over the life of the investments on a straight line method.
- Inter-class transfer of investments from one category to the other, if any, is done in accordance with the RBI guidelines at lower of book value and fair value / market value on the date of transfer.

Banking Company in the group

- **Classification:**

  In accordance with the RBI Guidelines on investment classification and valuation; Banking company is required to classify Investments on the date of purchase into:

  (i) Held for Trading (HFT),

  (ii) Available for Sale (AFS) or

  (iii) Held to Maturity (HTM).

  Reclassification of securities if any, in any categories are accounted for as per the RBI guidelines. However, for disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other approved securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others.

- **Basis of classification and accounting:**

  Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category. Further, as per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified to AFS category. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in either of the above categories are classified under AFS category. Investments are recorded on value date except for equity shares which are recorded on trade date. However for the purpose of consolidation and in compliance with schedule III of the Companies Act, 2013, the above Classification are revised to current and non-current investments. HFT and AFS category investments are classified as current investments and HTM category investments are classified as non-current investments.

- **Valuation:**

  Investments classified under non-current (HTM category) are carried at their acquisition cost and not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a constant Yield-to-Maturity ('YTM') basis while discount is not accreted. Such amortisation of premium is adjusted against interest income under the head "Income from investments" as per the RBI guidelines. Any diminution, other than temporary, in the value of investments is provided for.

  Investments classified under current (AFS and HFT categories) are marked to market as per the RBI guidelines. Traded investments are valued based on the trades / quotes on the recognised stock exchanges, or prices/yields declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association ('FIMMDA'), periodically.

  Securities are valued script wise and depreciation / appreciation is aggregated for each category. Net depreciation, if any, compared to the acquisition cost, in any of the categories, is charged to the Profit and Loss Account. The net appreciation in each category, if any, is not recognised except to the extent of depreciation already provided. The valuation of investments includes securities under repo transactions.

  Non-performing investments are identified and depreciation / provision is made thereon based on the RBI guidelines. The depreciation / provision is not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is recognised on cash basis.

- **Short sales:**

  Short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is marked to market and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Profit / loss on settlement of the short position are recognised in the Profit and Loss Account.

- **Other than NBFCs and Banking Company in the Group**

  Long-term investments are valued at cost except where there is a diminution in value other than temporary in which case the carrying value is reduced to recognise the decline. Current investments are valued at lower of cost and market value.

(d) Repurchase and resale transactions (Repo)

In accordance with the RBI guidelines Repo and Reverse Repo transactions in government securities and corporate debt securities (excluding transactions conducted under Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI) are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions are accounted for as interest income.

In respect of repo transactions under LAF and MSF with RBI, amount borrowed from RBI is credited to investment account. Costs thereon are accounted for as interest expense. In respect of reverse repo transactions under LAF and MSF, amount lent to RBI is debited to investment account and reversed on maturity of the transaction. Revenues thereon are accounted for as interest income.

(e) Advances

In accordance with the RBI guidelines, advances are classified as performing and non-performing. These advances are stated net of specific provisions, provisions for funded interest term loan classified as non-performing advances, claims received from Export Credit Guarantee Corporation of India Ltd. (ECGC) and provisions in lieu of diminution in the fair value of restructured asset. Non-Performing advances are further classified as Sub-Standard, Doubtful and Loss Assets in accordance with the RBI guidelines on Income Recognition and Asset Classification (IRAC). In addition, based extant environment or specific information on risk of possible slippages or current pattern of servicing, the group makes provision on identified advances in infrastructure sector which are classified as standard advances as these are not non-performing advances ('Identified Advances').

(f) Tangible fixed assets

Fixed assets are stated at cost of acquisition, including any cost attributable for bringing the asset to its working condition, less accumulated depreciation. Profit or loss arising from derecognition of fixed assets are measured as difference between the net disposal proceeds and the cost of the assets less accumulated depreciation upto the date of disposal and are recognised in the Statement of Profit and Loss.

(g) Depreciation on tangible fixed assets (See note 44)

Depreciation on tangible fixed assets is provided on the straight line method, as per the useful life 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 phones b) Motor Cars. 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. Depreciation in respect of leasehold improvements is provided on a straight - line method over the extended period of the lease.

(h) Intangible assets and amortisation

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 charged annually to the Statement of Profit and Loss. Intangible assets are being amortised over a period of three years on a straight-line method.

(i) Impairment of assets

The carrying amount of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment based on internal / external factors exists, the recoverable amount of such assets is estimated and impairment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and its value in use, which is arrived at by discounting the future cash flows to their present value, based on an appropriate discounting factor. If at the Balance sheet date, there is indication that previously recognised impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of the depreciable historical cost and reversal of such impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(j) Expense under employee stock option schemes

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') / Employees Stock Option Scheme 2007 ('ESOS 2007') / Employees Stock Option Scheme 2015 ('ESOS 2015'). 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. In accordance with the Guidelines and the Guidance Note on 'Accounting for Employees Share-based Payments' issued by the Institute of Chartered Accountants of India, the excess, if any, of the closing market price / fair value on the day prior to the date of grant of the stock options under the ESOS over the exercise price is amortised on a straight-line method over the vesting period and is charged to the Statement of Profit and Loss as employee benefits expense. In case the vested stock options expires unexercised, the balance in stock options outstanding is transferred to the general reserve. In case the unvested stock options get lapsed / cancelled, the balance in stock option outstanding account is transferred to the Statement of Profit & Loss.

(k) Employee benefits

- **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 and when services are rendered.

- **Defined benefit plan**

  The net present value of obligation towards gratuity to employees is funded and actuarially determined as at the Balance Sheet date based on the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the year.

- **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.

(l) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Ancillary costs in connection with long term external commercial borrowings are amortised to the Statement of Profit and Loss over the tenure of the loan.

(m) Segment reporting

- **Primary segment (Business segment)**

  The major activities of the Group dovetails around financing activity. The other business segment like asset management, investment banking & institutional broking do not individually have income and/or assets more than 10% of the total income and/or assets of the Group. Accordingly, segment information for asset management, investment banking & institutional broking is grouped under business segment 'others'.

- **Secondary segment (Geographical segment)**

  Most of the subsidiaries operate only in the domestic market. As a result, the Group does not have any reportable geographical segment.

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognised:

- Interest Income is recognised on accrual basis in the Statement of Profit and Loss, except in the case of Non-Performing Assets (NPAs) and Identified Advances, where it is recognised upon realisation. The unrealised interest, fees and charges booked in respect of NPAs and identified advances is reversed and recognised on cash basis.
- Interest Income on coupon bearing securities is recognised over the tenure of the instrument on a straight line method and on non-coupon bearing securities over the tenure on yield basis. Any premium on acquisition of securities held under HTM category is amortised over the remaining maturity period of the security on a straight line method basis.
- Dividend on equity shares, preference shares and on mutual fund units is recognised as income when the right to receive the dividend is established.
- Loan originating fees, when it becomes due, is recognised upfront as income. Arrangership / syndication fee is recognised as income on completion of the significant act / milestone and when right to recovery is established. Fee and commission income is recognised as income when due and reasonable right of recovery is established and can be reliably measured.
- Brokerage is recognised on trade date basis and is net of statutory payments.
- Asset management fees is recognised on accrual basis.
- Underwriting commission earned to the extent not reduced from the cost of acquisition of securities is recognised as fees on closure of issue.
- All other fees and charges are recognised when reasonable right of recovery is established, revenue can be reliably measured and as and when they become due, except guarantee commission which is recognised pro-rata over the period of the guarantee.
- Premium on interest rate reduction is accounted on accrual basis over the residual life of the loan.
- Profit / loss on sale of investments is recognised on trade date basis. Profit / loss on sale of investments is determined based on the 'first in first out' cost for current investments and weighted average cost for long-term investments.
- Profit / loss on sale of investments is recognised on value date basis by Banking Company as per RBI guidelines. Profit / loss on sale of investments is determined based on the 'first in first out' cost for current investments and long-term investments.
- Profit on sale of loan assets through direct assignment / securitisation is recognised over the residual life of the loan / pass through certificate in terms of the RBI guidelines. Loss arising on account of direct assignment / securitisation is recognised upfront on sale in the Statement of Profit & Loss.
- Revenue from power supply is recognised when reasonable right of recovery is established.
- Income from trading in derivatives is recognised on final settlement or squaring up of the contracts.

(o) Leases

- **Where the assets are taken on lease**

  Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Amount due under the operating leases are charged to the Statement of Profit and Loss, on a straight-line method, over the lease term in accordance with Accounting Standard 19 on 'Leases' as specified under Section 133 of the Companies Act, 2013. Initial direct costs incurred specifically for operating leases are recognised as expense in the year in which they are incurred.

- **Where the assets are given on lease**

  Leases under which risks and benefits of ownership of the asset are not substantially transferred are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income in respect of operating leases is recognised in the Statement of Profit and Loss on a straight-line method over the lease term in accordance with Accounting Standard 19 on 'Leases' as specified under Section 133 of the Companies Act, 2013. Maintenance costs including depreciation are recognised as an expense in the Statement of Profit and Loss.

(p) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the year, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year.

(q) Taxes on income

- Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961.
- Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and right for such set off are legally enforceable. Deferred tax assets are reviewed at each Balance Sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.
- Minimum alternate tax paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that normal income tax will be payable. Accordingly, it is recognised as an asset in the Balance Sheet when it is probable that future economic benefits associated with it will flow.
- Since the Holding Company has passed a Board resolution that it has no intention to make withdrawal from the Special Reserve created and maintained under section 36(1)(viii) of the Income-tax Act, 1961, the special reserve created and maintained is not capable of being reversed and thus a permanent difference. Accordingly, no deferred tax liability has been created in consolidated books of account on consolidated 36(1)(viii) reserves of the Group.

(r) Derivative contracts

Holding Company

Interest rate swaps

Interest rate swaps are booked with the objective of managing the interest rate risk on liabilities. Interest rate swaps in the nature of hedge are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of the hedge swaps is amortised over the life of the swap or underlying liability, whichever is shorter.

Currency interest rate swaps

Currency interest rate swaps in the nature of hedge, booked with the objective of managing the currency and interest rate risk on foreign currency liabilities are recorded on accrual basis and these transactions are not marked-to-market. Any resultant profit or loss on termination of hedge swaps is amortised over the life of swap or underlying liability, whichever is shorter. The foreign currency balances on account of principal of currency interest rate swaps outstanding as at the Balance Sheet date are revalued using the closing rate.

Stock futures

- Stock futures are marked-to-market on a daily basis. The debit or credit balance in the 'Mark-to-market margin – stock futures account' disclosed under loans and advances or current liabilities represents the net amount paid or received on the basis of the movement in the prices of stock futures till the Balance Sheet date.

- Credit balance in the 'Mark-to-market margin – stock futures account' in the nature of anticipated profit, is ignored and no credit is taken to the Statement of Profit and Loss. However, the debit balance in the 'Mark-to-market margin – stock futures account' in the nature of anticipated loss is recognised in the Statement of Profit and Loss.
- On final settlement or squaring-up of contracts for stock futures, the profit / loss is calculated as the difference between the settlement / squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled / squared-up contract in 'Mark-to-market margin – stock futures account' is recognised in the Statement of Profit and Loss upon expiry of the contracts. When more than one contract in respect of the relevant series of stock futures contract to which the squared-up contract pertains is outstanding at the time of the squaring-up of the contract, the contract price of such contract is determined using the weighted average method for calculating profit / loss on squaring-up.
- 'Initial margin account – stock futures', representing initial margin paid is disclosed under loans and advances.

Banking Company in the group

- Derivative transactions comprises of forward contracts, futures, swaps and options. The Banking Company undertakes derivative transactions for trading and hedging on-balance sheet assets and liabilities. All trading transactions are marked to market and resultant gain or loss is recognized in the Profit and Loss Account.
- For hedge transactions, the Banking Company identifies the hedged item (asset or liability) at the inception of the transaction itself. Hedge swaps and funding swaps are not subjected to marked to market, unless underlying transactions are marked to market. In such cases swaps are marked to market with the resultant gain or loss recorded as an adjustment to the market value of the underlying transactions.
- Premium in option transaction is recognized as income / expense on expiry or early termination of the transaction. Mark to market gain / loss (adjusted for premium received / paid on options contracts) is recorded as other income. Pursuant to the RBI guidelines, any receivables under derivative contracts which remain overdue for more than 90 days and mark-to-market gains on other derivative contracts with the same counter-parties are reversed in Profit and Loss Account.
- Currency futures contracts are marked-to-market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. All open positions are marked to market based on the settlement price and the resultant marked to market profit/loss settled with the exchange. The amounts received / paid on cancellation of option contracts are recognized as realized gain / loss on options. Charges receivable / payable on cancellation / termination of foreign exchange forward contracts is recognized as income / expense on the date of cancellation / termination under 'Other Income'. Any resultant profit or loss on termination of hedge swaps is amortized over the life of the swap or underlying liability whichever is shorter.
- As per the RBI guidelines on 'Prudential Norms for off Balance Sheet Exposures of Banks', a standard asset provision is made on the current gross MTM gain of the contract for all outstanding interest rate and foreign exchange derivative transactions. Realised gain / loss arise when the derivatives expire or mature or when the underlying trading assets / liabilities are sold.

(s) Foreign currency transactions and translations

Foreign currency transactions are accounted at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items outstanding as at the Balance Sheet date are reported using the closing rate. Gain or loss resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss. Premium in respect of forward contracts is accounted over the period of the contract. Forward contracts outstanding as at the Balance Sheet date are revalued at the closing rate.

(t) Provisions and contingencies

Provision against loans and advances

NBFC in the group:

- Contingent provision against standard assets is made at 0.40% of the outstanding standard assets, higher than the provisioning requirement of 0.30% in accordance with the RBI guidelines.
- In addition, the Holding Company maintains a general provision as Provision for Contingencies in accordance with the provisioning policy of the Holding Company and additional provision based on the assessment of portfolio including provision against identified advances that qualifies for deduction under Section 36(1)(viia) of the Income-tax Act, 1961.
- The policy of provisioning against non-performing loans and advances has been decided by the management considering norms prescribed by the RBI under Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007. As per the policy adopted by the Holding Company, the provision against non-performing loans and advances are created on a conservative basis, taking into account management's perception of the higher risk associated with the business. Certain non-performing loans and advances are considered as loss assets and full provision has been made against such assets.

- In January 2014, the RBI has issued guidelines on Restructuring of Advances applicable to Non Banking Finance Companies. As per the guidelines, a provision is required on standard accounts restructured prior to January 24, 2014 at 2.75 % from March 31, 2014, and would further increase to 3.50% from March 31, 2015, 4.25% from March 31, 2016 and 5.00% from March 31, 2017. Restructuring of standard accounts subsequent to January 23, 2014 would attract a provision at 5.00%. The Holding Company has complied with the aforesaid guidelines and on prudent basis a provision at 5.00% has been made on all outstanding restructured accounts in addition to the provision against diminution in fair value of restructured advances. Unrealised income represented by Funded Interest Term Loan ('FITL') on standard accounts restructured after January 23, 2014 are fully provided and such provision against FITL will be reversed on repayment of FITL.

Banking Company in the group

- The Bank makes general provisions on all standard advances based on the rates under each category of advance as prescribed by the RBI. The provision on standard advances is not reckoned for arriving at net NPAs. The provisions towards standard advance is not netted from gross advance but shown separately as "Contingent Provisions against Standard Assets" under "Long-term provisions".
- Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of wholesale and retail advances, subject to the minimum provisioning level prescribed by the RBI.
- In case of corporate loans, provision is made for substandard and doubtful assets at the rates prescribed by the RBI. Loss assets and the unsecured portion of doubtful assets are provided / written off as per the extant RBI guidelines or higher as approved by the management. Provision on retail loans and advances, subject to minimum provisioning requirement of the RBI are assessed at borrower level, on the basis of ageing of loans based on internal provisioning policy of the Bank.
- In addition to the minimum provisioning level prescribed by RBI, the group on a prudent basis made provisions on specific advances in infrastructure sector that are not NPAs ('identified advances') but had reason to believe risk of possible slippages on the basis of the extant environment or specific information or current pattern of servicing. These provisions being specific in nature are netted off from gross advances.

Other provisions

- A provision is recognised for a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed separately. Contingent assets are not recognised in the financial statements.

(u) Securities issue expenses

Issue expenses of certain securities and redemption premium on certain bonds are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent balance is available for utilisation in the securities premium account.

(v) Brokerage expenses

Brokerage paid to the brokers on closed ended funds and commitments in portfolio management schemes are amortised over the tenure of the product or commitment period.

(w) Misdeal stock

Misdeal stock comprises of stock that devolves due to erroneous execution of trades in the normal course of business. These securities are valued at lower of cost or market value on an individual basis. Any profit / loss on such deals is recognised in the Statement of Profit and Loss.

(x) Service tax input credit

Service tax input credit is accounted in the period in which the underlying services are received and when there is no uncertainty in availing / utilising the credit.

(y) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

08 SHARE CAPITAL

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
AUTHORISED				
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
		5,000.00		5,000.00
ISSUED, SUBSCRIBED & FULLY PAID-UP				
Equity shares of ₹ 10 each	1,594,020,668	1,594.02	1,592,780,866	1,592.78
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		1,594.02		1,592.78

(a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year:

EQUITY SHARES	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
Outstanding as at the beginning of the year	1,592,780,866	1,592.78	1,516,286,251	1,516.29
Issued during the year [see note (d)]	-	-	73,000,000	73.00
Issued during the year - stock options exercised under the ESOS [see note (c)]	1,239,802	1.24	3,494,615	3.49
Outstanding as at the end of the year	1,594,020,668	1,594.02	1,592,780,866	1,592.78

(b) Terms / rights attached to equity shares

The Holding 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 and ranks *pari passu*. The dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting. During the year ended March 31, 2016, dividend of ₹ Nil per share (Previous Year ₹ 2.60 per share) is recognised as amount distributable to equity shareholders.

In the event of liquidation of the Ultimate Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Holding 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.

(c) Movement in stock options granted under the ESOS is as under:

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
	NUMBER	NUMBER
Outstanding as at the beginning of the year	31,485,043	32,889,410
Add: Granted during the year	12,898,500	3,300,000
Less: Exercised during the year [see note (a)]	1,239,802	3,494,615
Less: Lapsed / forfeited during the year	3,564,400	1,209,752
Outstanding as at the end of the year	39,579,341	31,485,043

(d) The Holding Company had allotted in previous year 73,000,000 equity shares of ₹ 10 each at a premium of ₹ 127 per share on September 16, 2014 pursuant to a Qualified Institutions Placement ('QIP') under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

09 RESERVES AND SURPLUS

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(A) SECURITIES PREMIUM ACCOUNT		
Opening balance	6,203.70	5,253.15
Add: premium on issue of equity shares under QIP issue	-	927.10
Add: premium on exercise of stock options under the ESOS	15.18	34.46
Less: Transfer to Minority Interest (see note 3)	3,701.31	-
Less: premium utilised during the year [see note below & 7 (u)]	-	11.01
Closing balance	2,517.57	6,203.70

Share issue expenses amounting to ₹ Nil (Previous Year ₹ 11.01 crore) on account of capital raising under the QIP issue have been utilised against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013.

(B) STOCK OPTIONS OUTSTANDING		
Opening balance	18.23	25.39
Less: Transferred to general reserve [see note 9(f)]	3.68	0.71
Less: Stock options exercised / cancelled	0.95	6.45
Less: Transfer to Minority Interest (see note 3)	6.56	-
Closing balance	7.04	18.23

(C) DEBENTURE REDEMPTION RESERVE		
Opening balance	739.50	541.60
Add : Transfer from surplus in the Statement of Profit and Loss [see note below & 9(k)]	-	197.90
Less : Transferred to General Reserve [see note below & 9(f)]	(739.50)	-
Closing balance	-	739.50

The Holding company had created Debenture Redemption Reserve (DRR) in accordance with Section 71(4) of the Companies Act, 2013 in respect of the public issues of Long-Term Infrastructure Bonds. The Holding Company creates DRR upto 25% of the value of debentures issued through public issue plus accrued interest thereon over the expected life of such debentures in accordance with Rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules 2014. The Holding Company is not required to create DRR in respect of privately placed debentures under the Rules. During the Current year, the Holding Company has not created Debenture Redemption Reserve as long term infrastructure bonds have since been transferred to IDFC Bank Limited upon demerger of financing undertaking and as provided in the Scheme of Arrangement entire Debenture Redemption Reserve amount has been transferred to General Reserve (see note 3).

(D) SPECIAL RESERVE U/S. 36(1)(VIII) OF THE INCOME-TAX ACT, 1961 (SEE NOTE 7(Q))		
Opening balance	2,853.25	2,373.25
Add: Transfer from surplus in the Statement of Profit and Loss [see note 9(k)]	345.00	480.00
Closing balance	3,198.25	2,853.25

(E) SPECIAL RESERVE U/S. 45-IC OF THE RBI ACT, 1934		
Opening balance	2,554.42	2,218.50
Add: Transfer from Statement of Profit and Loss [see note 9(k)]	8.06	335.92
Less: Share of minority interest	0.18	-
Less: Transfer to surplus in the Statement of Profit and Loss [see note below & 9(k)]	2.90	-
Less: Transfer to surplus in the Statement of Profit and Loss [see note 4 & 9(k)]	1,634.80	-
Closing balance	924.60	2,554.42

A Group Company has voluntary surrendered the Certificate of Registration (COR) issued by the RBI for carrying out non-banking financial activities and for discontinuance of the NBFC business hence special reserve of ₹ 2.9 crore is transfered to Statement of Profit and Loss Account.

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(F) GENERAL RESERVE		
Opening balance	844.18	843.47
Add: Transfer from stock options outstanding [see note 9(b)]	3.68	0.71
Add: Transfer from Debenture Redemption Reserve [see note 9 (c)]	739.50	-
Less: Transfer to Minority Interest (see note 3)	918.87	-
Add: Additions during the year	2.36	-
Closing balance	670.85	844.18
(G) CAPITAL RESERVE ON CONSOLIDATION		
Opening balance	1.25	1.25
Add: Changes due to change in shareholding in group companies	30.41	-
Closing balance	31.66	1.25
(H) FOREIGN CURRENCY TRANSLATION RESERVE [SEE NOTE 5(A)(VII)]		
Opening balance	28.19	21.00
Add: Foreign exchange translation in relation to non-integral foreign operations	11.93	7.20
Less: Share of minority interest	0.01	0.01
Closing balance	40.11	28.19
(I) STATUTORY RESERVES		
Opening balance	-	-
Additions during the year	118.00	-
Deduction during the year	-	-
Closing balance	118.00	-

As mandated by the Banking Regulation Act, 1949, all banking companies incorporated in India shall create a reserve fund, out of the balance of profit as disclosed in the profit and loss account and before any dividend is declared and transfer a sum equivalent to not less than twenty five percent of such profit. The Banking Company has transfered ₹ 118.00 crore to Statutory Reserve for the year.

(J) CAPITAL RESERVE		
Opening balance	-	-
Add: Additions during the year	82.50	-
Closing balance	82.50	-

As per RBI Guidelines applicable to Banking Company, profit / loss on sale of investments in the 'Held to Maturity' / 'Non-Current Investments' category is recognised in the Profit and Loss Account and profit is there after appropriated (net of applicable taxes and statutory reserved requirements) to Capital Reserve. Accordingly, the Banking Company has appropriated ₹ 82.50 crore being profit on sale of non-current investments net of applicable taxes and transfered to statutory reserves.

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(K)	**SURPLUS IN THE STATEMENT OF PROFIT AND LOSS**		
	Opening balance	2,439.01	2,246.41
	Profit / (Loss) for the year	(934.80)	1,706.95
	Less: Opening adjustment of an associate [see note 21(f)]	7.00	1.89
	Add: Transfer from Special reserve u/s. 45-IC of the RBI Act, 1934 [see note 9(e)]	1,637.70	-
	Less: Appropriations		
	Transfer to reserves:		
	Statutory Reserves	118.00	-
	Capital Reserves	82.50	-
	General Reserve	2.36	-
	Debenture redemption reserve [see note 9 (c)]	-	197.90
	Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [see note 9 (d)]	345.00	480.00
	Special reserve u/s. 45-IC of the RBI Act, 1934 [see note 9 (e)]	8.06	335.92
	Changes due to change in shareholding in group companies	30.87	-
	Transfer to Minority Interest (see note 3)	1,607.80	-
	Dividend & dividend distribution tax:		
	Proposed dividend on equity shares	-	414.17
	[₹ Nil per share (Previous Year ₹ 2.60 per share)]		
	Dividend on equity shares pertaining to previous year (see note below)	0.25	0.14
	Tax on proposed equity dividend	-	84.31
	Tax on proposed equity dividend by subsidiary companies	21.63	-
	Tax on equity dividend for previous year (see note below)	0.05	0.02
	Total appropriations	2,216.52	1,512.46
	Closing balance	918.39	2,439.01
TOTAL RESERVES AND SURPLUS		8,508.97	15,681.73

In respect of equity shares issued pursuant to exercise of stock options under the ESOS, the Company paid dividend of ₹ 0.25 crore for the year 2014-15 (Previous Year ₹ 0.14 crore for the year 2013-14)and tax on dividend of ₹ 0.05 crore (Previous Year credit of ₹ 0.02 crore) as approved by the shareholders at the respective Annual General Meetings.

10 SHARE APPLICATION MONEY PENDING ALLOTMENT

Share application money pending allotment represents applications received from employees on exercise of stock options granted and vested under the ESOS.

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
Equity shares of face value ₹ 10 each proposed to be issued	1,874,416	1.87	164,175	0.16
Total amount of securities premium		3.79		2.06
		5.66		2.22

The equity shares are expected to be allotted against the share application money within a reasonable period, not later than three months from the Balance Sheet date.

11 MINORITY INTEREST

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
	%	%
DIRECT		
IDFC Asset Management Company Limited	-	25.00
IDFC AMC Trustee Company Limited	-	25.00
INDIRECT (THROUGH IDFC FINANCIAL HOLDING COMPANY LIMITED)		
IDFC Bank Limited	47.02	-
IDFC Asset Management Company Limited	25.00	-
IDFC AMC Trustee Company Limited	25.00	-
IDFC Infra Debt Fund Limited	18.52	-
INDIRECT (THROUGH IDFC ASSET MANAGEMENT COMPANY LIMITED)		
IDFC Investment Advisors Limited	-	25.00
IDFC Investment Managers (Mauritius) Limited	25.00	25.00

	(₹ IN CRORE)	
	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Opening minority interest	44.21	40.16
Add: Addition in minority interest during the year	6,340.99	-
Add: Share of profit of minority interest	277.96	20.79
Less: Share of dividend distribution tax by subsidiaries	28.00	16.75
Add: Fluctuation in foreign currency translation reserve	0.01	0.01
Closing Balance	6,635.17	44.21

12 LONG - TERM BORROWINGS

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
DEBENTURES & BONDS (NON CONVERTIBLE) (UNSECURED) [SEE NOTE (A),(C) & (D)]				
Face value	36,769.75	4,334.85	32,535.08	8,941.36
Less: Unexpired discount on zero percent debentures & bonds [see note (b)]	236.74	31.23	227.35	16.70
	36,533.01	4,303.62	32,307.73	8,924.66
TERM LOANS (UNSECURED) [SEE NOTE (C)]				
From banks [see note (e)]	50.00	1,048.90	2,325.00	780.74
From others [see note (f)]	239.93	23.96	840.75	7.59
	289.93	1,072.86	3,165.75	788.33
EXTERNAL COMMERCIAL BORROWINGS (UNSECURED) [SEE NOTE (C)]				
From banks [see note (g)]	3,735.74	331.30	5,244.90	1,376.98
From others [see note (h)]	2,254.82	145.61	2,200.31	157.10
	5,990.56	476.91	7,445.21	1,534.08
TERM DEPOSITS	371.38	-	-	-
Amount disclosed under 'other current liabilities' (see note 17)	-	(5,853.39)	-	(11,247.07)
TOTAL LONG-TERM BORROWINGS	43,184.88	-	42,918.69	-
THE ABOVE AMOUNT INCLUDES:				
Secured borrowings [see note (a)]	763.00	-	42,918.69	11,247.07
Unsecured borrowings	42,421.88	5,853.39	-	-
	43,184.88	5,853.39	42,918.69	11,247.07

(a) Borrowings of ₹ 763.00 crore (Previous year ₹ 54,165.76 crore) are secured by way of a first floating *pari passu* charge over investments, other assets, trade receivables, cash and bank balances and loans & advances excluding investments in and other receivables from subsidaries and affiliates and lien marked assets.

(b) Unexpired discount is net of ₹ 195.19 crore (Previous year ₹ 236.86 crore) towards interest accrued but not due.

(c) The entire borrowings were secured till September 30, 2015.

(d) Interest and repayment terms of long-term borrowings - debentures and bonds (non convertible) (unsecured):

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
FIXED RATE				
Above 5 years	20,097.26	7.98 to 9.68	18,853.52	7.75 - 9.68
3-5 years	5,937.76	7.5 to 9.25	4,540.73	8.34 - 9.68
1-3 years	10,694.73	7.98 to 9.5	9,100.83	7.98 - 9.57
FLOATING RATE				
1-3 years	40.00	MIBOR+150 bps	40.00	MIBOR+150 bps
TOTAL	36,769.75		32,535.08	

(e) Interest and repayment terms of long-term loans from banks (unsecured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
FLOATING RATE				
1-3 years	50.00	9.75	2,325.00	Bank Base rate
TOTAL	50.00		2,325.00	

(f) Interest and repayment terms of long-term loans from others (unsecured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
FIXED RATE				
Above 5 years	239.93	2.00	102.67	2.00
3-5 Years	-	NA	52.16	2.00
1-3 years	-	NA	42.92	2.00
FLOATING RATE				
3-5 Years	-	NA	643.00	Base rate
TOTAL	239.93		840.75	

(g) Interest and repayment terms of external commercial borrowings from banks (unsecured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
FLOATING RATE				
Above 5 years	91.44	USD 6M LIBOR + 150 bps	-	NA
3-5 years	1,656.50	USD 6M LIBOR + 213 bps	2,816.55	USD 6M LIBOR + 185 to 213 bps
1-3 years	1,987.80	USD 6M LIBOR + 114 bps to 213 bps	2,190.65	USD 6M LIBOR + 150 to 275 bps
1-3 years	-	NA	237.70	3M BBSY + 270 bps
TOTAL	3,735.74		5,244.90	

(h) Interest and repayment terms of external commercial borrowings from others (unsecured):

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
RESIDUAL MATURITY	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
FLOATING RATE				
Above 5 years	227.86	USD 6M LIBOR + 150 bps to 235 bps	51.55	USD 6M LIBOR + 235 bps
Above 5 years	1,656.50	USD 3M LIBOR + 225 bps	1,251.80	USD 3M LIBOR + 225 bps
Above 5 years	154.13	INBMK + 183.50 bps	231.20	INBMK + 183.50 bps
3-5 years	154.13	INBMK + 183.50 bps	115.60	INBMK + 183.50 bps
3-5 years	-	NA	312.95	USD 3M LIBOR + 225 bps
3-5 years	-	NA	51.54	USD 6M LIBOR + 235 bps
1-3 years	38.54	INBMK + 183.50 bps	-	NA
1-3 years	23.66	USD 6M LIBOR + 60.20 bps	185.67	USD 6M LIBOR + 60.20 to 235 bps
TOTAL	2,254.82		2,200.31	

13 OTHER LONG-TERM LIABILITIES

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Lease equalisation (see note 38)	0.90	1.60
Interest accrued but not due on borrowings	633.79	345.71
Payables against derivative contracts	23.95	8.94
Retention money	0.02	0.02
Other payables	ß	ß
TOTAL	658.66	356.27

14 LONG-TERM PROVISIONS

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Contingent provision against standard assets [see note (a)]	336.67	136.82
TOTAL	336.67	136.82

(a) A contingent provision against standard assets has been created based on rate under each category of the outstanding standard assets as prescribed by RBI.

15 SHORT-TERM BORROWINGS

(₹ IN CRORE)

		AS AT MARCH 31, 2016		AS AT MARCH 31, 2015
TERM LOANS (SECURED) [SEE NOTE (a)]				
From banks		-		100.00
COLLATERALISED BORROWINGS AND LENDING OBLIGATIONS (CBLO) (SECURED) [SEE NOTE (b)]		9.94		6,985.03
DEPOSITS				
Term Deposits	7,009.41			
Demand Deposits	445.07			
		7,454.48		-
REPURCHASE AGREEMENT (REPO) (SECURED) [SEE NOTE (C)]		-		4,505.34
COMMERCIAL PAPERS (UNSECURED)				
Face value	-		500.00	
Less: Unexpired discount [see note (d)]	-		4.60	
		-		495.40
TOTAL SHORT-TERM BORROWINGS		7,464.42		12,085.77
THE ABOVE AMOUNT INCLUDES:				
Secured borrowings		9.94		11,590.37
Unsecured borrowings		7,454.48		495.40
TOTAL SHORT-TERM BORROWINGS		7,464.42		12,085.77

(a) Borrowings of ₹ Nil (Previous Year ₹ 100.00 crore) are secured by way of a first floating pari passu charge over investments, other assets, trade receivables, cash and bank balances and loans and advances excluding investments in and other receivables from subsidiaries and affiliates of the Holding Company and lien marked assets.

(b) Borrowings under CBLO is secured against investments in government securities and treasury bills of ₹ 35.15 crore (Previous Year ₹ 11,151.12 crore).

(c) Borrowings under REPO are secured by assignment of treasury bills of ₹ Nil (Previous Year ₹ 4,443.62 crore).

(d) Unexpired discount on commercial papers is net of ₹ Nil (Previous Year ₹ 4.39 crore) towards interest accrued but not due.

16 TRADE PAYABLE

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Payables against derivative contracts	146.89	205.43
Payables against purchase of investments	-	85.70
Other trade payables (see note 42)	29.35	11.71
Provision for expenses	287.02	227.22
TOTAL	463.26	530.06

17 OTHER CURRENT LIABILITIES

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Current maturities of long-term borrowings (see note 12)	5,853.39	11,247.07
Interest accrued but not due on borrowings	2,109.02	1,852.65
Income and other amounts received in advance	38.06	25.55
Funds received for investor education	0.36	15.49
Unclaimed dividend [see note (a)]	1.84	1.78
Unclaimed interest [see note (a)]	31.73	17.99
Security deposit	-	3.59
Lease equalisation (see note 38)	0.43	0.40
Other liabilities	233.51	-
Other payables		
Payable to gratuity fund (net) (see note 35)	4.99	0.02
Statutory dues	25.56	6.05
Others	52.27	1.17
TOTAL	8,351.16	13,171.76

(a) No amount of unclaimed dividend and unclaimed interest was due for transfer to the Investor Education and Protection Fund under Section 25 of the Companies Act, 2013 as at the Balance Sheet date.

18 SHORT-TERM PROVISIONS

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Provision for employee benefits	4.11	-
Provision for income tax (net of advance payment of tax)	35.64	43.37
Provision for fringe benefit tax (net of advance payment of tax)	3.59	0.06
Proposed equity dividend [see note 8(b) & 9 (k)]	-	414.17
Provision for Mark to Market on Derivatives	325.15	-
Tax on proposed equity dividend [see note 9(k)]	-	84.31
Tax on proposed equity dividend by subsidiary companies	33.91	-
TOTAL	402.40	541.91

19 (a) TANGIBLE ASSETS

(₹ IN CRORE)

	GROSS BLOCK						ACCUMULATED DEPRECIATION						NET BLOCK		
	BALANCE AS AT APRIL 1, 2015	ADJUSTMENT (REFER NOTE BELOW)	TRANSLATION EXCHANGE DIFFERENCE	ADDITIONS	DISPOSALS	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT APRIL 1, 2015	ADJUSTMENT (REFER NOTE BELOW)	TRANSLATION EXCHANGE DIFFERENCE	DEPRECIATION CHARGE FOR THE YEAR	ON DISPOSALS	TRANSITION ADJUSTMENT (SEE NOTE 44)	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2015
Freehold Land	-	-	-	0.04	-	0.04	-	-	-	-	-	-	-	0.04	-
(Previous year)	(4.36)	-	-	-	(4.36)	-	-	-	-	-	-	-	-	-	
Buildings	340.20	-	-	4.22	2.84	341.58	40.72	-	-	5.96	0.59	-	46.09	295.49	299.48
(Previous year)	(343.14)	-	-	-	(2.94)	(340.20)	(86.53)	-	-	(6.04)	(0.59)	51.26	(40.72)	(299.48)	
Leasehold improvements	21.24	-	0.06	43.97	-	65.27	11.06	-	0.06	5.05	ß	-	16.17	49.10	10.18
(Previous year)	(12.55)	-	(0.04)	(8.73)	(0.08)	(21.24)	(9.64)	-	(0.04)	(1.42)	(0.04)	-	(11.06)	(10.18)	
Furniture and fixtures	13.18	-	0.02	14.35	2.62	24.93	6.64	-	0.02	2.08	1.60	-	7.14	17.79	6.54
(Previous year)	(11.91)	-	(0.02)	(1.63)	(0.38)	(13.18)	(6.56)	ß	(0.01)	(0.89)	(0.17)	0.65	(6.64)	(6.54)	
Vehicles	16.61	-	-	19.97	2.32	34.26	4.03	-	-	6.65	0.89	-	9.79	24.47	12.58
(Previous year)	(6.97)	-	-	(10.25)	(0.61)	(16.61)	(1.62)	0.04	-	(3.28)	(0.31)	0.52	(4.03)	(12.58)	
Office equipment	20.17	-	0.03	14.32	4.19	30.33	15.29	-	0.02	3.41	4.14	-	14.58	15.75	4.88
(Previous year)	(17.21)	0.01	(0.02)	(3.21)	(0.26)	(20.17)	(8.69)	ß	ß	(3.50)	(0.20)	(3.30)	(15.29)	(4.88)	
Computers	25.00	-	0.03	71.38	5.33	91.08	18.35	-	0.03	10.99	5.60	-	23.77	67.31	6.65
(Previous year)	(21.49)	0.01	(0.02)	(4.96)	(1.46)	(25.00)	(17.41)	ß	(0.02)	(2.87)	(1.45)	0.50	(18.35)	(6.65)	
Wind mills	101.25	-	-	-	-	101.25	32.07	-	-	4.60	-	-	36.67	64.58	69.18
(Previous year)	(101.25)	-	-	-	-	(101.25)	(63.72)	-	-	(4.59)	-	36.24	(32.07)	(69.18)	
TOTAL	537.65	-	0.14	168.25	17.30	688.74	128.16	-	0.13	38.74	12.82	-	154.21	534.53	409.49
(Previous year)	(518.88)	0.02	(0.10)	(28.78)	(10.09)	(537.65)	(194.17)	0.04	(0.07)	(22.59)	(2.76)	85.87	(128.16)	(409.49)	

19 (b) INTANGIBLE ASSETS (Other than internally generated)

(₹ IN CRORE)

	GROSS BLOCK						ACCUMULATED AMORTISATION						NET BLOCK		
	BALANCE AS AT APRIL 1, 2015	ADJUSTMENT (REFER NOTE BELOW)	TRANSLATION EXCHANGE DIFFERENCE	ADDITIONS	DISPOSALS	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT APRIL 1, 2015	ADJUSTMENT (REFER NOTE BELOW)	TRANSLATION EXCHANGE DIFFERENCE	AMORTISATION CHARGE FOR THE YEAR	ON DISPOSALS	TRANSITION ADJUSTMENT (SEE NOTE 44)	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2016	BALANCE AS AT MARCH 31, 2015
Computer software	24.43	-	0.01	254.08	0.47	278.05	21.17	-	ß	23.63	0.46	-	44.34	233.71	3.26
(Previous year)	(22.00)	-	ß	(2.43)	-	(24.43)	(19.16)	ß	ß	(2.01)	-	-	(21.17)	(3.26)	
Tenancy rights	0.11	-	-	-	-	0.11	0.07	-	-	0.01	-	-	0.08	0.03	0.04
(Previous year)	(0.11)	-	-	-	-	(0.11)	(0.06)	-	-	(0.01)	-	-	(0.07)	(0.04)	
TOTAL	24.54	-	0.01	254.08	0.47	278.16	21.24	-	ß	23.64	0.46	-	44.42	233.74	3.30
(Previous year)	(22.11)	-	ß	(2.43)	-	(24.54)	(19.22)	ß	ß	(2.02)	-	-	(21.24)	(3.30)	
TOTAL TANGIBLE AND INTANGIBLE ASSETS	562.19	-	0.15	422.33	17.77	966.90	149.40	-	0.13	62.38	13.28	-	198.63	768.27	412.79
(Previous year)	(540.99)	0.02	(0.10)	(31.21)	(10.09)	(562.19)	(213.39)	0.04	(0.07)	(24.61)	(2.76)	85.87	(149.40)	(412.79)	

Note: Represent assets transferred on amalgamation. [See note 6 (iv)]

20 GOODWILL ON CONSOLIDATION

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Goodwill on subsidiaries	957.09	957.09

21 NON-CURRENT INVESTMENTS (AT COST)

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
INVESTMENT IN ASSOCIATES		
Equity shares	246.92	229.53
Add: Goodwill on acquisition [see note 5(f)]	9.80	9.80
Add: Adjustment for post acquisition share of profit / (loss) and reserve of associates [see note (f)]	(87.53)	(14.95)
	169.19	224.38
Preference shares	46.87	30.94
INVESTMENT IN A SUBSIDIARY		
Equity shares [see note 5(c)]	13.00	13.00
OTHER INVESTMENTS		
Equity shares [see note (a) & (g)]	173.94	1,096.17
Preference shares	0.05	107.37
Venture capital units [see note (d)]	594.76	950.17
Debentures & bonds	-	540.58
Government securities [see note 15(b) & 15(c)]	2,725.38	11,721.62
Mutual funds [see note (b)]	14.18	4.50
Security receipts	-	242.24
TOTAL NON-CURRENT INVESTMENTS	3,737.37	14,930.97
Less: Provision for diminution in value of investments [see note (e)]	40.80	309.11
Less: Premium amortised on debentures, bonds and government securities	-	11.39
NET NON-CURRENT INVESTMENTS	3,696.57	14,610.47
(a) Aggregate amount of quoted investments		
Cost	-	140.64
Market value	-	52.63
(b) Aggregate amount of investments in unquoted mutual funds		
Cost	14.18	4.50
Market value	14.85	5.00
(c) Aggregate amount of unquoted investments - cost	3,723.19	14,785.83

(d) Investments in venture capital units are subject to restrictive covenants.

(e) Includes provision against subsidiary of ₹ 13.00 crore (Previous year ₹ 13.00 crore).

(f) Includes opening adjustment of ₹ 7.00 crore (Previous year ₹ 1.89 crore) due to change in previous year balances.

(g) Excludes 1,805,000 shares (Previous year 1,805,000 shares) since the Group has no beneficial interest.

22 DEFERRED TAX (NET)

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
(a) Provisions	1,816.09	-	806.07	-
(b) Others	(8.72)	-	(14.28)	-
(c) Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged to the Statement of Profit and Loss	(67.36)	17.61	(40.50)	6.01
DEFERRED TAX (NET)	1,740.01	17.61	751.29	6.01

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' as specified under Section 133 of the Companies Act, 2013, the Company has taken credit of ₹ 977.09 crore (Previous Year ₹ 257.78 crore) in the Statement of Profit and Loss towards deferred tax assets / (liability) (net) on account of timing differences and ₹ 0.04 crore [Previous Year ₹ (0.01) crore] in the Foreign Currency Translation Reserve. Deferred tax liability for the year ended March 31, 2016 of ₹ 0.04 crore (Previous Year ₹ 32.31 crore) is created on account of tax adjustment of prior year.

23 LOANS (NET OF PROVISIONS)

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Term loans [see note (a), (c) & (d)]	42,603.92	6,794.66	49,293.18	5,342.93
Cash Credit, overdrafts and loans repayable on Demand [see note (a) & (d)]	-	894.99	-	-
Bills purchased	-	359.85	-	-
Debentures & bonds [see note (a) & (d)]	208.53	7.22	-	109.25
	42,812.45	8,056.72	49,293.18	5,452.18
Less: Specific Provision against identified advances	1,267.45	-	-	-
Less: Provision against non-performing loans (see note c)	829.16	1,090.10	39.98	198.02
Less: Provision against restructured loans & others	780.90	-	493.24	-
Less: Provision for contingencies	-	-	1,587.49	-
Less: Provision for Diminution in fair value of restructured assets	0.37	-	-	-
TOTAL	39,934.57	6,966.62	47,172.47	5,254.16
(a) The above amount includes				
Secured [see note (b)]	31,666.63	5,061.20	40,365.47	4,039.08
Unsecured	11,145.82	2,995.52	8,927.71	1,413.10
	42,812.45	8,056.72	49,293.18	5,452.18

(b) Loans to the extent of ₹ 36,727.83 crore (Previous Year ₹ 44,404.55 crore) are secured by:

(i) Hypothecation of assets and / or

(ii) Mortgage of property and / or

(iii) Trust and retention account and / or

(iv) Assignment of receivables or rights and / or

(v) Pledge of shares and / or

(vi) Negative lien and / or

(vii) Undertaking to create a security.

(c) Loans includes non-performing loans of ₹ 3,058.30 crore (Previous Year ₹ 357.57 crore) against which provisions of ₹ 1,919.26 crore (Previous Year ₹ 238.00 crore) has been made in accordance with the RBI circular [see note (d)].

(d) The classification of loans under the RBI guidelines is as under:

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(i) Standard assets	47,810.87	54,387.79
(ii) Sub-standard assets	2,770.65	348.42
(iii) Doubtful assets	287.65	9.15
(iv) Loss assets	-	-
	50,869.17	54,745.36

24 LOANS AND ADVANCES - OTHERS (CONSIDERED GOOD, UNLESS STATED OTHERWISE)

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
UNSECURED				
Loans and advances to related parties (see note 36)	-	19.50	-	21.00
Receivables against derivative contracts	274.75	-	88.50	234.84
Loans and advances to employees	0.73	0.69	1.00	0.29
Advance against investments	-	274.88	-	4.68
[includes advance to associate company of ₹ Nil (Previous Year ₹ 4.68 crore)]				
Security deposits	228.79	36.13	65.97	11.15
Other deposits	-	0.31	-	22.83
Advance payment of income tax (net of provision)	487.02	-	447.00	-
Advance payment of fringe benefit tax (net of provision)	4.05	-	0.53	-
Advance wealth tax	0.20	-	-	-
Other loans and advances				
Supplier advances	-	11.83	-	3.69
Initial margin account - government securities	0.60	-	15.02	-
Capital advances	0.79	-	5.78	-
Other advances	-	1.10	-	0.57
Prepaid expenses	3.99	19.15	5.49	18.96
Balance with defined benefit plan (see note 35)	-	-	-	0.91
Stamp paper on hand	-	-	-	0.04
Minimum alternate tax credit	-	-	0.45	-
Balances with government authorities - cenvat credit available	-	19.64	-	3.87
[includes ₹ 0.91 crore (Previous year ₹ 0.68 crore), considered doubtful]				
	1,000.92	383.23	629.74	322.83
Less: Provision against doubtful advances	-	0.91	-	0.68
TOTAL	1,000.92	382.32	629.74	322.15

25 OTHER ASSETS (CONSIDERED GOOD, UNLESS STATED OTHERWISE)

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Other receivables	-	22.86	-	4.35
[includes ₹ 8.18 crore (Previous Year ₹ 1.62 crore), considered doubtful]				
Less: Provision against doubtful receivables	-	8.18	-	1.62
	-	14.68	-	2.73
Bank deposits [see note (a)]	0.32	-	3.98	-
Interest accrued on deposits	0.02	1.56	0.23	1.12
Interest accrued on investments	-	609.28	-	522.95
Interest accrued on loans [see note (b)]	149.03	128.92	158.83	439.47
Mark to Market receivable on Derivatives	-	343.03	-	-
Repo Price Adjustment	-	391.43	-	-
Unamortised expenses				
Premium on forward contracts	-	27.67	-	33.77
Ancilliary borrowing costs	30.10	12.36	49.00	22.38
TOTAL	179.47	1,528.93	212.04	1,022.42

(a) Balances with Bank include deposits under lien of ₹ 0.32 crore (Previous year ₹ 3.98 crore) against bank guarantee.

(b) Interest accrued on loans - current is net of provision of ₹ Nil (Previous year ₹ 33.00 crore) against restructured advances.

26 CURRENT INVESTMENTS

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
OTHER INVESTMENTS			
Equity shares [see note (a)]	925.60		29.63
Preference shares	65.23		-
Debentures & bonds	6,215.97		3,202.06
Venture capital units	436.99		-
Pass through certificates	0.30		0.25
Certificate of deposits	197.02		773.68
Commercial papers	829.03		1,847.61
Government securities [see note 15(b)]	8,967.93		4,934.54
Security receipts	242.40		-
Treasury bills [see note 15(b) & 15(c)]	-		2,256.42
Mutual funds [see note (b)]	620.13		2,345.70
		18,500.60	15,389.89
CURRENT PORTION OF LONG-TERM INVESTMENTS			
Mutual Funds [see note (b)]		1.50	-
TOTAL CURRENT INVESTMENTS		18,502.10	15,389.89
Less: Provision for diminution in value of investments		1,133.19	24.97
NET CURRENT INVESTMENTS		17,368.91	15,364.92
(a) Aggregate amount of quoted investments			
Cost		41.91	29.63
Market value		31.66	4.69
(b) Aggregate amount of investments in unquoted mutual funds			
Cost		621.63	2,345.70
Market value (Net asset value)		650.77	2,384.34
Market value of investments in unquoted mutual funds represents the repurchase price of the units issued by the mutual fund.			
(c) Aggregate amount of other unquoted investments - cost		17,838.56	13,014.56

27 TRADE RECEIVABLES (UNSECURED)

(₹ IN CRORE)

		AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
CONSIDERED GOOD			
Outstanding for a period less than six months from the date they are due for payment [See note (a)]		35.87	44.13
Outstanding for a period exceeding six months from the date they are due for payment		-	0.73
CONSIDERED DOUBTFUL			
Outstanding for a period less than six months from the date they are due for payment	-		-
Outstanding for a period exceeding six months from the date they are due for payment [See note (b)]	3.37		3.25
		3.37	3.25
Less: Provision against doubtful receivables		3.37	3.25
		-	-
TOTAL		35.87	44.86

(a) Includes ₹ Nil (Previous Year ₹ 21.71 crore) on deals recognised on trade date basis, subsequently realised.

(b) During the year ended March 31, 2016, the Holding Company has written off debts of ₹ Nil (Previous Year ₹ 102.97 crore). The provision against the debt has been reversed.

28 CASH AND BANK BALANCES

(₹ IN CRORE)

	AS AT MARCH 31, 2016		AS AT MARCH 31, 2015
CASH AND CASH EQUIVALENTS [SEE NOTE (C)]			
Cash on hand	11.62		0.01
Cheques on hand	10.49		87.13
Balances with Reserve Bank of India :			
In current accounts	1,889.22		-
In deposit accounts	-		-
Balances with banks:			
In current accounts	1,006.12		103.81
In deposit accounts	50.29		34.16
		2,967.74	225.11
OTHERS			
Balances with banks:			
In earmarked accounts:			
- unclaimed dividend	1.84		1.78
- unclaimed interest	27.10		17.99
In deposit accounts [see note (a) & (b)]	37.46		55.20
		66.40	74.97
		3,034.14	300.08

(a) Balances with banks include deposits under lien of ₹ 37.46 crore (Previous Year ₹ 32.70 crore) against bank guarantees and overdraft facility.

(b) Balances with banks include deposits of ₹ 30.37 crore (Previous Year ₹ 47.45 crore) having original maturity of more than 12 months.

(c) Cash and cash equivalents as referred in the Cash Flow Statement.

29 REVENUE FROM OPERATIONS

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Interest [see note (a)]	7,600.51	8,068.80
Other financial services [see note (b)]	595.62	560.89
Dividend income [see note (c)]	19.69	26.06
Net profit on sale of investments [see note (d)]	765.89	936.03
Profit from trading in derivatives and foreign currency contracts	15.04	-
Brokerage	35.85	36.60
Other operating income [see note (e)]	3.13	11.44
TOTAL	9,035.73	9,639.82

(a) DETAILS OF INTERNET INCOME

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Interest on loans [see note (i)]	5,364.95	6,434.60
Interest on deposits and loan to a financial institution	1,245.72	24.87
Interest on balances with Reserve Bank of India and other inter-bank funds	38.72	-
Interest on investments		
Current investments	457.97	979.41
Long-term investments	493.15	629.92
TOTAL	7,600.51	8,068.80

(i) Interest on loans includes interest on debentures & bonds of ₹ 5.80 crore (Previous Year ₹ 69.29 crore).

(b) DETAILS OF INCOME FROM OTHER FINANCIAL SERVICES

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Fees (net) [see note (i)]	595.62	560.76
Profit amortised on assignment / sale of loans	-	0.13
TOTAL	595.62	560.89

(i) Fees income is net of fees shared on sell down of loans of ₹ 18.97 crore (Previous Year ₹ 0.10 crore).

(c) DETAILS OF DIVIDEND INCOME

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Current investments	0.07	0.92
Long-term investments	19.62	25.14
TOTAL	19.69	26.06

(d) DETAILS OF NET PROFIT ON SALE OF INVESTMENTS

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Current investments	431.01	560.90
Long-term investments	334.88	375.13
TOTAL	765.89	936.03

(e) DETAILS OF OTHER OPERATING INCOME

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Sale of power	3.13	11.33
Profit from trading in derivatives	-	0.11
TOTAL	3.13	11.44

30 OTHER INCOME

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Interest on income tax refund	25.77	80.12
Other interest	0.09	0.08
Profit on sale of fixed assets	-	1.33
Miscellaneous income	2.22	1.12
TOTAL	28.08	82.65

31 EMPLOYEE BENEFITS EXPENSE

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Salaries	587.70	359.56
Contribution to provident and other funds [see note 35]	33.58	19.04
Gratuity expense	4.25	(0.09)
Staff welfare expenses	14.51	9.64
TOTAL	640.04	388.15

32 FINANCE COSTS

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Interest expense	5,451.22	5,400.51
Other borrowing cost	284.33	251.56
Net loss on foreign currency transactions and translation	93.45	5.68
TOTAL	5,829.00	5,657.75

33 PROVISIONS AND CONTINGENCIES

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Contingent provision against standard assets	70.51	(13.59)
Provision for contingencies (see note below)	(1,587.48)	574.14
Specific provision against identified advances	464.22	-
Provision against non-performing loans, restructured loans, doubtful debts / advances & others(net)	832.25	490.37
Provision for diminution in value of investments (net)	539.07	(37.54)
Provision for unghedged foreign currency exposure	8.17	-
TOTAL	326.74	1,013.38

Note: Provision for contingencies has been utilised to create provisions against specific identified advances.

34 OTHER EXPENSES

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Rent [see note 38(i)]	84.18	22.09
Rates and taxes	4.08	15.79
Electricity	11.76	5.42
Repairs and maintenance		
Buildings	1.63	2.21
Equipments	4.00	4.55
Others	19.17	6.23
Insurance charges	5.38	0.78
Travelling and conveyance	29.82	18.62
Printing and stationery	7.65	3.27
Communication costs	20.10	7.83
Advertising and publicity	11.70	13.01
Professional fees	147.67	100.58
Loss on foreign exchange fluctuation (net)	-	4.45
Directors' sitting fees	1.89	0.73
Commission to directors	0.67	1.90
Bad debts written off	4.22	0.59
Loss on retirement of fixed assets (net)	3.27	2.46
Brokerage	19.30	3.29
Other operating expenses	59.94	78.69
Contribution for corporate social responsibility (CSR)	27.31	48.95
Auditors' remuneration [see note (a)]	4.05	3.41
Shared service costs recovered [see note (b)]	0.07	(0.11)
Miscellaneous expenses	58.39	33.61
TOTAL	526.25	378.35

(a) Break up of auditors' remuneration:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Audit fees	1.82	1.43
Tax audit fees	0.42	0.25
Taxation matters	0.51	0.46
Other services*	1.11	1.11
Out-of-pocket expenses	0.04	0.02
Service tax	0.55	0.41
	4.45	3.68
Less: Service tax set off claimed	0.40	0.27
TOTAL	4.05	3.41

* Excludes ₹ Nil (Previous Year ₹ 0.65 crore) paid by the Holding Company towards fees for Qualified Institutional Placement which has been adjusted against securities premium account.

(b) Shared service costs recovery includes ₹ 0.36 crore (Previous Year ₹ 0.10 crore) recovered from IDFC Foundation.

35 In accordance with Accounting Standard 15 on 'Employee Benefits' as specified under Section 133 of the Companies Act, 2013 the following disclosures have been made:

i. 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)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Provident fund	18.98	9.78
Pension fund	1.70	1.15
Superannuation fund	2.71	1.48

ii. The details of the Group's post - retirement benefit plans for gratuity for its employees are given below which are certified by the actuary and relied upon by the Auditors:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016		FOR THE YEAR ENDED MARCH 31, 2015	
	FUNDED	NON FUNDED	FUNDED	NON FUNDED
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:				
Liability at the beginning of the year	41.91	-	31.72	0.12
Liabilities assumed on acquisition	-	-	2.82	-
Current service cost	9.02	-	5.13	-
Interest cost	4.09	-	3.05	-
Reversed during the current year	-	-	-	(0.12)
Liabilities settled on divestiture	25.79	-	(0.04)	-
Distributed on Divestiture	(25.73)	-	-	-
Benefits paid	(4.62)	-	(4.40)	-
Actuarial loss	0.19	-	3.63	-
Liability at the end of the year	50.65	-	41.91	-
FAIR VALUE OF PLAN ASSETS:				
Fair value of plan assets at the beginning of the year	42.48	-	29.42	ß
Expected return on plan assets	3.98	-	2.33	-
Contributions	7.99	-	9.47	-
Benefits paid	(4.62)	-	(4.40)	-
Distributed on Divestiture	(25.37)	-	-	-
Reversed during the current year	-		-	ß
Assets assumed on acquisition	22.70	-	2.63	-
Actuarial gain / (loss) on plan assets	(2.04)	-	3.03	-
Fair value of plan assets at the end of the year	45.12	-	42.48	-
Total actuarial loss / (gain) to be recognised	2.24	-	0.60	-
ACTUAL RETURN ON PLAN ASSETS:				
Expected return on plan assets	3.98	-	2.33	-
Actuarial gain / (loss) on plan assets	(2.04)	-	3.03	-
Actual return on plan assets	1.93	-	5.36	-
AMOUNT RECOGNISED IN THE BALANCE SHEET:				
Liability at the end of the year	50.65	-	41.91	0.12
Fair value of plan assets at the end of the year	45.12	-	42.48	-
Reversed during the year	-	-	-	(0.12)
Unrecognised past service cost	-	-	0.02	-
Amount recognised in the Balance Sheet under 'Loans and Advances'	-	-	0.76	-
Amount recognised in the Balance Sheet under 'Other current liabilities'				
Current	5.53		0.11	-
Non- Current	-	-	-	-

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016		FOR THE YEAR ENDED MARCH 31, 2015	
	FUNDED	NON FUNDED	FUNDED	NON FUNDED
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:				
Current service cost	9.02	-	5.13	-
Interest cost	4.09	-	3.05	-
Expected return on plan assets	(3.98)	-	(2.33)	-
Net actuarial loss / (gain) to be recognised	2.24	-	0.60	-
Losses / (Gains) on Acquisition / Divestiture	2.55	-	-	-
Reversed during the year	-	-	-	(0.12)
Liabilities assumed on acquisition	-	-	0.19	-
Liabilities settled on divestiture	-	-	(0.04)	-
Amount not recognised as an Asset	-	-	0.02	-
Expense recognised in the Statement of Profit and Loss under 'Employee benefits expense'	13.92	-	6.62	(0.12)
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET:				
Opening net liability / (Asset)	(0.40)	-	2.30	0.12
Expense recognised	13.92	-	6.54	(0.12)
Contribution by the Group	(7.99)	-	(9.47)	-
Amount recognised in the Balance Sheet under 'Other current liabilities'	5.53	-	0.63	-
Expected employer's contribution next year	5.10	-	4.78	-

(₹ IN CRORE)

	FOR THE YEAR ENDED				
	MARCH 31, 2016	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2013	MARCH 31, 2012
EXPERIENCE ADJUSTMENTS:					
Defined benefit obligation	50.65	41.91	31.83	26.84	21.71
Plan assets	45.12	42.48	29.41	26.59	13.87
Deficit	(5.53)	0.56	(2.42)	(0.25)	(7.84)
Experience adjustments on plan liabilities	(0.30)	1.09	3.67	(0.12)	1.04
Experience adjustments on plan assets	(3.54)	3.03	0.03	1.03	(0.48)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
	(%)	(%)
INVESTMENT PATTERN:		
Insurer managed funds	100.00	100.00
Government securities	44.01	49.67
Deposit and money market securities	9.52	6.25
Debentures / bonds	36.40	29.82
Equity shares	10.07	14.26
PRINCIPAL ASSUMPTIONS:		
Discount rate (p.a.)	7.95 to 8.00	7.90 to 8.75
Expected rate of return on assets (p.a.)	9.00	8.00 to 9.00
Salary escalation rate (p.a.)	8.00	8.00

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

36 As per Accounting Standard 18 on 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, the related parties of the Group are as follows:

SUBSIDIARIES:

(a) Direct

IDFC Foundation

Galaxy Mercantiles Limited (w.e.f. December 6, 2013, up to September 28, 2014)

Neopro Technologies Private Limited (up to September 28, 2014)

JOINTLY CONTROLLED ENTITIES

(a) Through subsidiaries

Delhi Integrated Multi-Modal Transit System Limited

Infrastructure Development Corporation (Karnataka) Limited

Uttarakhand Infrastructure Development Company Limited

Rail Infrastructure Development Company (Karnataka) Limited

Narayana Hrudayalaya Surgical Hospital Private Limited (upto January 31, 2016)

ASSOCIATES:

(a) Direct

Feedback Infra Private Limited (up to September 30, 2015)

Millennium City Expressways Private Limited (w.e.f. from May 19, 2014 & up to September 30, 2015)

(b) Through subsidiary

Jetpur Somnath Tollways Limited

Feedback Infra Private Limited (w.e.f. October 1, 2015)

Millennium City Expressways Private Limited (w.e.f. October 1, 2015)

ENTITIES OVER WHICH CONTROL IS EXERCISED:

(a) Through subsidiaries

India PPP Capacity Building Trust

KEY MANAGEMENT PERSONNEL OF THE HOLDING COMPANY:

(a) Dr. Rajiv B. Lall - Executive Chairman (up to September 30, 2015)

(b) Mr. Vikram Limaye - Managing Director & CEO

RELATIVES OF KEY MANAGEMENT PERSONNEL: (WHERE TRANSACTIONS EXIST).

(a) Ms. Bunty Chand (Up to September 30, 2015)

(b) Mr. Bharat Mukund Limaye

I) The nature and volume of transactions of the Holding Company with the above mentioned related parties are summarised below:

(₹ IN CRORE)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
INCOME												
Dividend	-	-	0.60	0.81	-	-	-	-	-	-	-	-
Fees	-	-	-	-	0.08	-	-	-	-	-	-	-
Interest	-	13.80	47.91	42.29	-	-	-	-	-	-	-	-
EXPENDITURE												
Remuneration paid	-	-	-	-	-	-	-	-	9.48	8.31	-	-
Fees paid	-	0.44	-	-	-	0.52	-	-	-	-	-	-
Interest Expense	0.03	-	-	-	0.08	-	-	-	-	-	-	-
Shared Service Cost	0.36	-	-	-	-	-	-	-	-	-	-	-
Corporate Social Responsibility	23.40	46.50	-	-	-	-	-	-	-	-	-	-
Interest expense on 80CCF Bonds	-	-	-	-	-	-	-	-	-	ß	-	ß
Rent paid	-	-	-	-	0.01	0.02	-	-	-	-	-	-

(₹ IN CRORE)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
ASSETS / TRANSACTIONS												
Purchase of investments	-	-	17.39	176.61	-	-	-	-	-	-	-	-
Advances recovered	1.50	0.50	-	-	-	-	-	-	-	-	-	-
Advances recoverable - balance outstanding	19.50	21.00	469.11	-	-	-	-	-	-	-	-	-
Redemption receipt of OCDs	-	261.05	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	0.03	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	ß	-	-	-	-	-	-	-	-	-	-	-
Current Account Balance	5.68	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits placed	38.44	-	-	-	-	-	-	-	-	-	-	-
Loans Repaid	-	-	8.26	-	-	-	-	-	-	-	-	-
Loans given	-	-	-	421.60	-	-	-	-	-	-	-	-
Outstanding Equity Investment	-	-	214.09	196.70	-	-	-	-	-	-	-	-
Interest accrued on loans - balance outstanding	-	-	-	18.19	-	-	-	-	-	-	-	-
Outstanding other receivables	-	-	-	0.17	-	-	-	-	-	-	-	-
Outstanding investment in Debentures	-	-	-	40.00	-	-	-	-	-	-	-	-
LIABILITIES / TRANSACTIONS												
Trade payable- balance outstanding	-	0.13	-	-	1.77	0.60	-	-	-	-	-	-
Amount received in advance	-	-	-	0.84	-	-	-	-	-	-	-	-
80CCF Bonds outstanding	-	-	-	-	-	-	-	-	-	0.01	-	0.01

II) The nature and volume of transactions of the Holding Company with the above mentioned related parties are detailed below:

(₹ IN CRORE)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
INCOME												
Dividend												
Feedback Infra Private Limited	-	-	0.60	0.81	-	-	-	-	-	-	-	-
Fees												
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	0.05	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.03	-	-	-	-	-	-	-
Interest income												
Feedback Infra Private Limited	-	-	6.57	6.67	-	-	-	-	-	-	-	-
Galaxy Mercantiles Limited	-	13.80	-	-	-	-	-	-	-	-	-	-
Millennium City Expressways Private Limited	-	-	41.34	35.62	-	-	-	-	-	-	-	-
EXPENDITURE												
Remuneration paid												
Dr. Rajiv B.Lall	-	-	-	-	-	-	-	-	4.32	4.40	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	5.16	3.91	-	-

(₹ IN CRORE)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Fees paid												
IDFC Foundation	-	0.44	-	-	-	-	-	-	-	-	-	-
Uttarakhand Infrastructure Development Company Limited	-	-	-	-	-	0.18	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	-	0.02	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	-	0.32	-	-	-	-	-	-
Corporate Social Responsibility												
IDFC Foundation	26.63	46.50	-	-	-	-	-	-	-	-	-	-
Interest expense												
IDFC Foundation	0.03	-	-	-	-	-	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	ß	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.08	-	-	-	-	-	-	-
Shared Service Cost												
IDFC Foundation	0.36	-	-	-	-	-	-	-	-	-	-	-
Interest expense on 80 CCF Bonds												
Dr. Rajiv B. Lall	-	-	-	-	-	-	-	-	-	ß	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	-	ß	-	-
Ms. Bunty Chand	-	-	-	-	-	-	-	-	-	-	-	ß
Mr. Bharat Mukund Limaye	-	-	-	-	-	-	-	-	-	-	-	ß
Rent paid												
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.01	0.02	-	-	-	-	-	-
ASSETS / TRANSACTIONS												
Purchase / subscription of Investments												
Millennium City Expressways Private Limited	-	-	17.39	176.61	-	-	-	-	-	-	-	-
Advances recovered												
IDFC Foundation	1.50	0.50	-	-	-	-	-	-	-	-	-	-
Advances recoverable - balance outstanding												
IDFC Foundation	19.50	21.00	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	60.00	-	-	-	-	-	-	-	-	-
Millennium City Expressways Private Limited	-	-	409.11	-	-	-	-	-	-	-	-	-
Redemption receipt of OCDs												
Galaxy Mercantiles Limited	-	261.05	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets												
IDFC Foundation Limited	0.03	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets												
IDFC Foundation Limited	ß	-	-	-	-	-	-	-	-	-	-	-

(₹ IN CRORE)

PARTICULARS	SUBSIDIARY COMPANIES		ASSOCIATES		JOINTLY CONTROLLED ENTITIES		ENTITIES OVER WHICH CONTROL IS EXERCISED		KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current account balance												
IDFC Foundation Limited	5.24	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	0.37	-	-	-	-	-	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	0.08	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits placed												
IDFC Foundation Limited	30.35	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	7.98	-	-	-	-	-	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	0.11	-	-	-	-	-	-	-	-	-	-	-
Loans repaid												
Millennium City Expressways Private Limited	-	-	8.26	-	-	-	-	-	-	-	-	-
Loans given												
Millennium City Expressways Private Limited	-	-	-	421.60	-	-	-	-	-	-	-	-
Outstanding Equity Investment												
Feedback Infra Private Limited	-	-	20.09	20.09	-	-	-	-	-	-	-	-
Millennium City Expressways Private Limited	-	-	194.00	176.61	-	-	-	-	-	-	-	-
Interest accrued on loans - balance outstanding												
Feedback Infra Private Limited	-	-	-	14.52	-	-	-	-	-	-	-	-
Millennium City Expressways Private Limited	-	-	-	3.67	-	-	-	-	-	-	-	-
Outstanding other receivables												
Millennium City Expressways Private Limited	-	-	-	0.17	-	-	-	-	-	-	-	-
Outstanding Investment in debentures												
Feedback Infra Private Limited	-	-	-	40.00	-	-	-	-	-	-	-	-
LIABILITIES / TRANSACTIONS												
Trade Payable- Balance outstanding												
IDFC Foundation		0.13	-	-	-	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	1.46	0.39	-	-	-	-	-	-
Uttarakhand Infrastructure Development Company Limited	-	-	-	-	-	0.15	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	0.30	0.06	-	-	-	-	-	-
Amount received in advance												
Feedback Infra Private Limited	-	-	-	0.84	-	-	-	-	-	-	-	-
80CCF Bonds outstanding												
Dr. Rajiv B. Lall	-	-	-	-	-	-	-	-	-	ß	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	-	0.01	-	-
Ms. Bunty Chand	-	-	-	-	-	-	-	-	-	-	-	ß
Mr. Bharat Mukund Limaye	-	-	-	-	-	-	-	-	-	-	-	0.01

37 The Group is engaged in financing by way of loans, asset management, investment banking and Institutional Broking. The Group does not have any reportable geographic segment. Since the revenues, profit or assets of the asset management segment, institutional broking and investment banking segment individually do not exceed 10% of the Group's revenues, profit or assets, the Group has one reportable segment i.e. Financing in terms of Accounting Standard 17 on 'Segment Reporting' as specified u/s 133 of the Companies Act, 2013. Segment information for asset management, investment banking and institutional broking is grouped under business segment 'Others'. Financing Segment includes Banking Business.

(₹ IN CRORE)

		FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
I	**SEGMENT OPERATING REVENUE**		
	(a) Financing	8,697.13	9,134.25
	(b) Others	544.78	577.57
TOTAL		9,241.91	9,711.82
	Less: Inter segment revenue	206.18	72.00
TOTAL OPERATING INCOME		9,035.73	9,639.82
II	**SEGMENT RESULTS**		
	(a) Financing	(1,199.97)	2,051.26
	(b) Others	214.88	214.75
	(c) Unallocated	25.77	80.13
	Profit before tax	(959.32)	2,346.14
	Less: Provision for tax	(367.46)	596.27
PROFIT AFTER TAX		(591.86)	1,749.87

(₹ IN CRORE)

		AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
III	**SEGMENT ASSETS**		
	(a) Financing	72,828.47	84,066.92
	(b) Others	1,650.51	1,802.05
	(c) Unallocated	2,217.14	1,199.26
TOTAL		76,696.12	87,068.23
IV	**SEGMENT LIABILITIES**		
	(a) Financing	59,792.43	69,561.90
	(b) Others	129.92	135.96
	(c) Unallocated	31.73	49.43
TOTAL		59,951.34	69,747.29
V	**CAPITAL EMPLOYED**		
	(a) Financing	13,037.82	14,505.02
	(b) Others	1,520.59	1,666.09
	(c) Unallocated	2,185.41	1,149.83
TOTAL		16,743.82	17,320.94

(₹ IN CRORE)

		FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
VI	**CAPITAL EXPENDITURE (INCLUDING CAPITAL WORK-IN-PROGRESS)**		
	(a) Financing	439.97	43.93
	(b) Others	12.34	5.54
TOTAL		452.31	49.47
VII	**DEPRECIATION AND AMORTISATION**		
	(a) Financing	56.10	(60.73)
	(b) Others	6.28	(0.57)
TOTAL		62.38	(61.30)
VIII	**SIGNIFICANT NON CASH EXPENSES OTHER THAN DEPRECIATION AND AMORTISATION**		
	(a) Financing*	2,954.07	1,020.45
	(b) Others	-	2.89
TOTAL		2,954.07	1,023.34

* Includes exceptional items of ₹ 2,638.72 crore (Previous year ₹ Nil)

38 In accordance with Accounting Standard 19 on 'Leases' as specified under section 133 of the Companies Act, 2013, the following disclosures in respect of operating leases are made:

i. The Group companies have taken office premises / branches / ATMs under operating leases, which expire between September 2016 to May 2020 (Previous Year March 2016 to March 2024). Rent includes gross rental expenses of ₹ 65.77 crore (Previous Year ₹ 8.90 crore) The committed lease rentals in the future are:

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
Not later than one year	106.50	27.71
Later than one year and not later than five years	303.80	115.72
Later than five years	132.83	9.95

39 In accordance with Accounting Standard 20 on 'Earnings Per Share' as specified under Section 133 of the Companies Act, 2013:

i. The basic earnings per share has been calculated based on the following:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Net profit / (loss) after tax available for equity shareholders	(934.80)	1,706.95
Weighted average number of equity shares	1,593,794,088	1,556,765,804

ii. The reconciliation between the basic and the diluted earnings per share is as follows:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Basic earnings per share	(5.87)	10.96
Effect of outstanding stock options	-	(0.05)
Diluted earnings per share	(5.87)	10.91

iii. The basic earnings per share has been computed by dividing the net profit / (loss) after tax for the year available for equity shareholders by the weighted average number of equity shares for the respective years, whereas the diluted earnings per share has been computed by dividing the net profit / (loss) after tax for the year available for equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options for the respective years. Since, the effect of the conversion of CCCPS was anti-dilutive in the previous year, it has been ignored in the previous year. The relevant details as described above are as follows:

(₹ IN CRORE)

	FOR THE YEAR ENDED MARCH 31, 2016	FOR THE YEAR ENDED MARCH 31, 2015
Weighted average number of shares for computation of basic earnings per share	1,593,794,088	1,556,765,804
Dilutive effect of outstanding stock options	1,011,998	7,731,566
Weighted average number of shares for computation of diluted earnings per share	1,594,806,086	1,564,497,370

40 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):

(₹ IN CRORE)

	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
(A) CONTINGENT LIABILITIES		
(i) Claims not acknowledged as debts in respect of :		
Income-tax demands under appeal (net of amounts provided)	81.23	155.60
[including ₹ 0.05 crore (Previous Year ₹ 0.06 crore) on account of proportionate share in an associate company]		
Other claims	0.49	0.55
(ii) Guarantees issued:		
As a part of project assistance, the following guarantees have been issued:		
Financial guarantees	1,318.98	158.27
[including ₹ 19.79 crore (Previous Year ₹ 18.29) on account of proportionate share in an associate company]		
Performance guarantees	10.18	19.22
Sponsors undertaking	-	25.08
(iii) Other financial guarantees	22.97	24.02
[including ₹ 22.97 crore (Previous Year ₹ 24.02 crore) on account of proportionate share in an associate company]		
(iv) Liability on account of outstanding forward exchange and derivative contracts :		
Forward Contracts	21,142.12	-
Interest rate swaps, currency swaps, forward rate agreement and interest rate futures	12,412.05	-
Foreign currency options	1,934.68	-
(v) Acceptances, endorsements and other obligations	1,396.01	-
(B) CAPITAL COMMITMENTS		
(i) Uncalled liability on shares and other investments partly paid	291.83	1,674.84
(ii) Estimated amount of contracts remaining to be executed on capital account (net of advances)	209.81	149.53
[including ₹ 62.45 crore (Previous Year ₹ 79.31 crore) on account of proportionate share in associate companies]		

41 The Holding Company has entered into interest rate swaps in the nature of 'fixed / floating' or 'floating / fixed' for notional principal of ₹ Nil outstanding as on March 31, 2016 (Previous Year ₹ 4,646.00 crore) for varying maturities linked to various benchmarks for asset liability management and hedging.

The Holding Company has foreign currency borrowings equivalent to ₹ Nil (Previous Year ₹ 8,761.93 crore), against which the Company has undertaken currency interest rate swaps and forward contracts to fully hedge foreign currency risk.

The Holding Company has also entered into coupon only currency swaps for notional principal equivalent to ₹ Nil (Previous Year ₹ 314.53 crore) and forward contracts of ₹ Nil (Previous Year ₹ 22.85 crore) to hedge the foreign currency risk towards interest on the foreign currency borrowings.

42

- No principal and interest due thereon is outstanding and remaining unpaid to any 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006.
- No amount is payable as interest in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 to any supplier beyond the appointed day during the year.
- No amount is payable as interest for delay in making payment under the Micro, Small and Medium Enterprises Development Act, 2006.
- No amount of interest has accrued and remained unpaid at the end of the year under the Micro, Small and Medium Enterprises Development Act, 2006.

43 Statement of Net Assets as per Schedule III to the Companies Act, 2013 for the year ended March 31, 2016

NAME OF THE ENTITY	NET ASSETS, I.E., TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE OF PROFIT OR (LOSS)	
	% OF TOTAL NET ASSETS	AMOUNT (₹ IN CRORE) (REFER NOTE BELOW)	% OF TOTAL NET LOSS	AMOUNT (₹ IN CRORE) (REFER NOTE BELOW)
IDFC Limited- Consolidated	100.00	10,102.99	100.00	(934.80)
IDFC Limited- Standalone	4.41	445.30	136.96	(1,280.27)
DOMESTIC SUBSIDIARIES				
IDFC Alternatives Limited	0.63	63.73	(1.93)	18.03
IDFC AMC Trustee Company Limited	0.00	0.10	(0.00)	0.01
IDFC Asset Management Company Limited	8.03	811.29	(11.90)	111.26
IDFC Finance Limited	0.00	0.08	(0.25)	2.35
IDFC Projects Limited	0.86	86.52	3.84	(35.89)
IDFC Securities Limited	4.76	480.57	(1.98)	18.53
IDFC Trustee Company Limited	0.04	3.85	(0.06)	0.56
IDFC Infra Debt Fund Limited	5.20	524.88	(4.08)	38.14
IDFC Financial Holding Company Limited	(0.00)	(0.18)	0.12	(1.16)
IDFC Bank Limited	140.62	14,207.09	(58.39)	545.81
FOREIGN SUBSIDIARIES				
IDFC Capital (Singapore) Pte Ltd	2.01	202.65	0.40	(3.71)
IDFC Capital (USA) Inc	(0.07)	(7.03)	0.25	(2.30)
IDFC Investment Managers (Mauritius) Limited	0.02	1.75	0.02	(0.23)
IDFC Securites Singapore Pte Ltd	0.05	5.10	0.32	(2.98)
Minority Interest	(65.68)	(6,635.16)	29.73	(277.96)
ASSOCIATES COMPANIES				
Feedback Infra Private Limited	0.10	10.01	(0.23)	2.13
Jetpur Somnath Tollways Private Limited	(0.22)	(21.85)	2.32	(21.71)
Millennium City Expressways Private Limited	(0.75)	(75.71)	4.86	(45.40)

Note: Amount of net assets and net profit or loss are after considering inter-company elimination.

Statement of Net Assets as per Schedule III to the Companies Act, 2013 for the year ended March 31, 2015

NAME OF THE ENTITY	NET ASSETS, I.E., TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE OF PROFIT OR (LOSS)	
	% OF TOTAL NET ASSETS	AMOUNT (₹ IN CRORE) (REFER NOTE BELOW)	% OF TOTAL NET PROFIT	AMOUNT (₹ IN CRORE) (REFER NOTE BELOW)
IDFC Limited- Consolidated	100.00	17,274.51	100.00	1,706.95
IDFC Limited- Standalone	88.29	15,251.74	94.02	1,604.92
DOMESTIC SUBSIDIARIES				
IDFC Alternatives Limited	0.33	56.63	1.80	30.65
IDFC AMC Trustee Company Limited	0.00	0.10	0.00	ß
IDFC Asset Management Company Limited	4.23	730.10	4.16	71.03
IDFC Finance Limited	0.12	20.51	0.09	1.47
IDFC Investment Advisors Limited	0.21	36.23	0.73	12.48
IDFC Primary Dealership Company Limited [see note 4(iii)]	0.00	-	0.65	11.08

NAME OF THE ENTITY	NET ASSETS, I.E., TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE OF PROFIT OR (LOSS)	
	% OF TOTAL NET ASSETS	AMOUNT (₹ IN CRORE) (REFER NOTE BELOW)	% OF TOTAL NET PROFIT	AMOUNT (₹ IN CRORE) (REFER NOTE BELOW)
IDFC Project Equity Company Limited [see note 4(iii)]	0.00	-	0.45	7.67
IDFC Projects Limited	0.46	78.77	(0.01)	(0.11)
IDFC Securities Limited	3.76	650.37	0.78	13.28
IDFC Trustee Company Limited	0.02	3.33	0.03	0.50
IDFC Housing Finance Company Limited [see note 4(iii)]	0.00	-	0.02	0.33
IDFC Infra Debt Fund Limited	1.82	314.43	0.26	4.52
IDFC Financial Holding Company Limited	(0.00)	(0.01)	(0.15)	(2.53)
IDFC Bank Limited	0.00	0.05	(0.15)	(2.58)
FOREIGN SUBSIDIARIES				
IDFC Capital (Singapore) Pte Ltd	1.05	181.75	0.22	3.69
IDFC Capital (USA) Inc	0.03	4.99	(0.17)	(2.97)
IDFC Fund of Funds Limited	0.00	-	0.06	0.96
IDFC Investment Managers (Mauritius) Limited	0.00	0.30	(0.02)	(0.27)
IDFC Securities Singapore Pte Ltd	0.03	4.40	(0.25)	(4.25)
Minority Interest	(0.26)	(44.21)	(1.22)	(20.79)
ASSOCIATES COMPANIES				
Feedback Infra Private Limited	0.05	9.49	0.14	2.34
Jetpur Somnath Tollways Private Limited	(0.00)	(0.13)	(0.01)	(0.14)
Millennium City Expressways Private Limited	(0.14)	(24.33)	(1.43)	(24.33)

Note: Amount of net assets and net profit or loss are after considering inter-company elimination.

44 Impact of Change in Accounting Policy - Depreciation on tangible fixed asset

As a result of change in the policy of depreciation from Written Down Value method to Straight Line Method, the charge in the Statement of Profit & Loss Account for the year ended March 31, 2015 is lower by ₹ 91.10 crore. Consequently, deferred tax liability of ₹ 18.59 crore for the year ended March 31, 2015 has been created on account of depreciation timing differences, resulting in a net increase in profit of ₹ 72.51 crore for the year ended March 31, 2015.

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

For and on behalf of the Board of Directors of
IDFC Limited

Vinod Rai
Non-Executive Chairman

Vikram Limaye
Managing Director & CEO

Bipin Gemani
Chief Financial Officer

Ketan Kulkarni
Company Secretary

Mumbai | April 29, 2016

IDFC LIMITED

Corporate Identity Number: L65191TN1997PLC037415 info@idfc.com; www.idfc.com

Regd. Office: KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031. **Tel:** + 91 44 4564 4000 **Fax:** +91 44 4564 4022

Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. **Tel:** + 91 22 4222 2000 **Fax:** +91 22 2654 0354

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting **("AGM")** of the Members of IDFC Limited **("IDFC" or "the Company")** will be held on **Wednesday, July 27, 2016 at 2.00 p.m.** at 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, Tamil Nadu, India, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee, Deloitte Haskins & Sells LLP, Chartered Accountants having Registration No. 117366W/W-100018, be and are hereby appointed as the Statutory Auditors of the Company for a period of one (1) year, to hold office from the conclusion of this Annual General Meeting **("AGM")** up to the conclusion of the next AGM of the Company, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2017."

SPECIAL BUSINESS

3. **Appointment of Mr. Gautam Kaji as an Independent Director of the Company**

   To consider, and if thought fit, to pass, the following as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, 161 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Gautam Kaji (DIN - 02333127), who was appointed as an Additional Director of the Company with effect from October 1, 2015 and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Mr. Gautam Kaji for office of Director, be and is hereby appointed as an Independent Director of the Company to hold office till the conclusion of 21st (Twenty First) AGM of the Company to be held for FY18 and who shall not be liable to retire by rotation.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Gautam Kaji be paid such fees and remuneration and profit related commission as the Board, may approve from time to time and subject to such limits prescribed by the Companies Act, 2013 and as approved by the Members at the 16th AGM of the Company held on July 29, 2013.

   RESOLVED FURTHER THAT the Board of Directors and Mr. Ketan Kulkarni, Company Secretary be and are hereby severally authorised to sign all such forms and returns and other documents and to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

4. **Appointment of Mr. Chintamani Bhagat as a Nominee Director of the Company**

   To consider, and if thought fit, to pass, the following as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 160, 161 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Articles of Association of the Company, Mr. Chintamani Bhagat (DIN – 07282200), who was appointed as an Additional Director of the Company with effect from October 31, 2015 and in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose the candidature of Mr. Chintamani Bhagat as a Director of the Company and who is eligible for appointment to the office of a Director, be and is hereby appointed as a Nominee Director of the Company and who shall be subject to retirement by rotation."

RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Chintamani Bhagat be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits prescribed by the Companies Act, 2013 and as approved by the Members at the 16th AGM of the Company held on July 29, 2013.

RESOLVED FURTHER THAT the Board of Directors and Mr. Ketan Kulkarni, Company Secretary be and are hereby severally authorised to sign all such forms and returns and other documents and to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

5. Reappointment of Mr. Vikram Limaye as Managing Director & CEO of the Company

To consider, and if thought fit, to pass, the following as an **Ordinary 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 or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Article 169 of Articles of Association of the Company and pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 members of the Company be and is hereby accorded to the reappointment of Mr. Vikram Limaye, as Managing Director & CEO of the Company for a period of three years w.e.f. May 1, 2016, on the terms and conditions, including remuneration, as set out hereunder, with further liberty to the Board including any Committee thereof, to alter, modify or revise from time to time, the said terms and conditions of reappointment and remuneration of Mr. Limaye in such manner as may be considered appropriate and in the best interests of the Company and as may be permissible at law:

i. Basic Salary: in the range of ₹ 8,00,000 to ₹ 10,00,000 per month.

ii. Perquisites and Allowances:

In addition to the Basic Salary, Mr. Vikram Limaye 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. Limaye 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. Limaye within the terms mentioned above.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits in any financial year, the remuneration as decided by the Board or any Committee thereof from time to time, shall be paid to Mr. Limaye as minimum remuneration with the approval of the Central Government, if required read with the applicable provisions of Schedule V of the Companies Act, 2013 and rules made there under.

RESOLVED FURTHER THAT Mr. Limaye shall not be subject to retirement by rotation during his tenure as Managing Director & CEO.

RESOLVED FURTHER THAT for purpose of giving effect to the foregoing resolution, the Board of Directors or any Committee thereof and / or Mr. Ketan Kulkarni, Company Secretary, 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."

6. Reappointment of Mr. Donald Peck as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for time being in force and pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Mr. Donald Peck (DIN - 00140734), in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose Mr. Donald Peck as a candidate for the office of Independent Director of the Company, be and is hereby reappointed as an Independent Director of the Company to hold office from the conclusion of the ensuing AGM till the conclusion of the 21st AGM of the Company to be held for FY 18 and who shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr. Donald Peck be paid such fees and remuneration and

profit related commission as the Board may approve from time to time and subject to such limits prescribed by the Companies Act, 2013 and as approved by the Members at the 16th AGM of the Company held on July 29, 2013.

RESOLVED FURTHER THAT the Board of Directors and Mr. Ketan Kulkarni, Company Secretary be and are hereby severally authorised to sign all such forms and returns and other documents and to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

7. Approval of the Borrowing Limits of the Company including Issue of Non-Convertible Securities under Private Placement

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

"RESOLVED THAT in supersession of the Special Resolution passed by the Members of the Company at the 17th (Seventeenth) Annual General Meeting (**"AGM"**) held on July 29, 2014 and pursuant to the provisions of Section 180(1)(c) and Sections 42, 71 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereto from time to time) (**"Act"**), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and pursuant to Articles of Association of the Company and subject to all the applicable laws and regulations, including but not limited to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; SEBI (Issue and Listing of Debt Securities) Regulations, 2008; Foreign Exchange Management Act, 1999; the Reserve Bank of India Act, 1934 (including any amendment, modification, variation or re-enactment thereof) and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called **"the Board"** which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution) to borrow from time to time of such sum(s) of money(ies), secured or unsecured, as it may deem requisite for the purpose of the business of the Company, including but not limited to by way of issuance of Non-Convertible Debentures (**"NCDs"**) and Commercial Papers (**"CPs"**) issued on Private Placement basis, notwithstanding that money(ies) to be borrowed, together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business, within the meaning of Section 180(1)(c) of the Companies Act, 2016) would exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided that the total amount up to which money(ies) may be borrowed shall not exceed a sum of ₹ 10,000 crore (Rupees Ten Thousand crore only) outstanding at any point of time.

RESOLVED FURTHER THAT Mr. Vikram Limaye – Managing Director & CEO, Mr. Bipin Gemani - Chief Financial Officer and Mr. Ketan Kulkarni - Company Secretary be and are hereby severally authorized to sign all such forms and returns and other documents and to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

By order of the Board of Directors

Ketan S. Kulkarni
Company Secretary

Mumbai | June 25, 2016

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed hereto.

2. **PROXIES:**

   a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY FILLED, SIGNED AND STAMPED PROXY FORM WILL BE CONSIDERED VALID.**

   b) A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total share capital of the Company. A Member who is holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, it shall be under its seal and be signed by an officer or an attorney duly authorised by it.

   c) During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged, during the business hours at the Registered Office, provided that not less than three days of notice in writing is given to the Company.

   d) Members / Proxies / Representatives are requested to bring their copies of the Annual Report and the Attendance Slip sent herewith to attend the AGM.

3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the AGM. The documents are required to be sent to the Company Secretary at the Registered Office of the Company or by sending an email on ketan.kulkarni@idfc.com.

4. Brief resume and other details of Directors proposed to be appointed / reappointed as required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (**"SEBI LODR"**) are given in the Exhibit to the Notice.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company and at the AGM.

6. The Register of Contracts or Arrangements, in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Registered Office of the Company and at the AGM.

7. Members desirous of getting any information about the accounts and / or operations of the Company are requested to write to the Company Secretary at least seven days before the date of the AGM to enable the Company to keep information ready at the AGM.

8. All the documents referred to in the accompanying Notice and Statement pursuant to Section 102 of the Companies Act, 2013, are open for inspection in both physical and electronic form during business hours on all working days at the Corporate Office of the Company i.e. Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 and at the Registered Office i.e. KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031 and will also be available at the venue of the AGM.

9. The Certificate from the Statutory Auditors of the Company certifying that the Company's Employee Stock Option Scheme is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time and in accordance with the resolutions passed by the Members at the General Meetings, will be available for inspection by the Members at the AGM.

10. Members are requested to address all correspondence, including change in address, bank account details and dividend matters, to Karvy Computershare Private Limited, [Unit: IDFC Limited] Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, India (**"Karvy"**). 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"**).

11. Pursuant to the applicable provisions of Companies Act, 1956, the amount of dividend not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (**"IEPF"**) established by the Central Government. Accordingly, the request for unclaimed dividend in respect of FY08-09 must reach Karvy on or before August 23, 2016, failing which it would be transferred to IEPF after that date.

12. Members who have either not received or have not encashed their dividend warrant(s) for any of the financial years from FY09-10 up to FY14-15, are requested to write to Karvy, mentioning the relevant Folio number(s) / DP ID and Client ID, for issuance of duplicate / revalidated dividend warrant(s).

13. **GREEN INITIATIVE:**

    a) In support of the Green Initiative, the Annual Report for FY16, Notice and instructions for E-Voting alongwith the Attendance Slip and Proxy Form are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company / DP for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report FY16 are being sent by the permitted mode. Members may also note that Notice and the Annual Report are also available for download from the website of the Company www.idfc.com.

    b) The Company urges the Members to communicate their e-mail id to the Registrar and Share Transfer Agent - Karvy, so that the Company can send future communications to these Members in electronic mode. Members are requested to send a signed letter, communicating their Name, Folio No. / DP ID / Client ID and e-mail address either by e-mail (scanned copy) to harikumar.iyer@idfc.com or send a hard copy thereof to Karvy.

14. **E-VOTING:**

    a) In terms of Sections 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI LODR, the Company is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on the cut-off date i.e. **Wednesday, July 20, 2016**, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice (the **"Remote e-voting"**). The Remote e-voting commences on **Friday, July 22, 2016 at 9:00 a.m.** and ends on **Tuesday, July 26, 2016 at 5:00 p.m.** The e-voting module shall be

disabled by Karvy for voting thereafter. A person who is not a Member as on the cut-off date should treat this notice for information purpose only.

b) In terms of the Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the AGM shall note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through physical ballot for all the businesses specified in this Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not be eligible to vote at the AGM and their vote, if cast at the Meeting shall be treated as invalid. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. **Wednesday, July 20, 2016.**

c) The Company has engaged the services of Karvy as the Agency to provide e-voting facility.

d) The Board of Directors has appointed Mr. B. Narasimhan of M/s BN & Associates, Company Secretaries, as the Scrutinizer to scrutinize the voting through Remote e-voting and voting process at the AGM in a fair and transparent manner.

e) Attendance Slip containing the e-voting USER ID & PASSWORD along with the detailed instructions for Remote e-voting are enclosed with this Notice.

15. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.idfc.com) and on the Service Provider's website (https://evoting.karvy.com) and communication of the same will be sent to the BSE Limited and the National Stock Exchange of India Limited and shall also be displayed on the Notice Board of the Registered and Corporate office of the Company within 48 hours from the conclusion of the AGM.

16. The route map of the venue of the Meeting forms part of this Notice.

17. Attendance Registration:

a. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

b. Alternatively, to facilitate smooth registration / entry, the Company has also provided web check-in facility, which would help the Shareholders to enter the AGM hall directly without going through the registration formalities at the registration counters.

c. The online registration facility will be available from **Friday, July 22, 2016 at 9:00 a.m.** to **Tuesday, July 26, 2016 at 5:00 p.m.**

The procedure of web check-in is as follows:

a. Log in to **https://karisma.karvy.com** and click on tab **"Web check-in for General Meeting"**

b. Select the Company name

c. Pass through the security credentials viz, DP ID, Client ID / Folio No., and 'CAPTCHA' as directed by the system and click on the submit button.

d. The system will validate the credentials. Click on the 'Generate my attendance slip' button that appears on the screen.

e. The attendance slip in PDF format will appear on the screen. Select the 'PRINT' option for direct printing or download and save for printing.

The Shareholders needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, Passport, AADHAR card or Driving License to enter the AGM hall.

ANNEXURE TO NOTICE

Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out all material facts:

Item No. 3

Appointment of Mr. Gautam Kaji as an Independent Director of the Company

Mr. Gautam Kaji was appointed as an Additional Director in the category of Independent Director (**"ID"**) w.e.f. October 1, 2015. He holds the office of Director up to the date of this AGM pursuant to Section 161 of the Companies Act, 2013 and Article 130 of the Articles of Association of the Company.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of ₹ 100,000/- proposing the candidature of Mr. Gautam Kaji for appointment as an ID of the Company.

Mr. Kaji has given a declaration of Independence pursuant to Section 149(6) and 149(7) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 alongwith his affirmance to the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

In a career spanning almost 30 years in economic and development policy formulation and implementation with the World Bank, Mr. Kaji played a key role in helping the institution meet the development needs of its more than 180 member nations. In the process, he earned a worldwide reputation as a leading expert on global economic and financial issues. Earlier, Mr. Kaji served in various senior managerial positions with the Bank - including in Africa, Europe and the Middle East and as Director for Human Resources.

Prior to his appointment as Managing Director in 1994, he was the Bank's Vice President for Operations in East Asia and the Pacific - a region with which he was closely involved for well over a decade. He is a Member of the Board of several companies, including the Cabot Corp etc. He was a Director on the Board of IDFC since July 1998 to August 2015.

He has an MBA from the Wharton School of Finance.

Other details of Mr. Gautam Kaji has been given in the Exhibit to this Notice.

Mr. Kaji has been associated with IDFC since last many years. The Board considers that his continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail the services of Mr. Kaji. He fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is Independent of the Management. In the opinion of the Board, Mr. Kaji is a person of integrity and has the necessary knowledge, experience and expertise for being appointed as an Independent Director.

Mr. Kaji is proposed to be appointed as ID till the conclusion of 21st AGM of the Company to be held for FY18 and he shall not be liable to retire by rotation. He will be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits prescribed by the Companies Act, 2013 and as approved by the Members at the 16th AGM of the Company held on July 29, 2013.

Except Mr. Gautam Kaji, none of the Directors or Key Managerial Personnel and / or his relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

The Board of Directors recommend passing of Ordinary Resolution as set out in Item No. 3 for approval of the Shareholders.

Item No. 4

Appointment of Mr. Chintamani Bhagat as a Director of the Company

The Nomination and Remuneration Committee & the Board at its respective meetings held on October 31, 2015 approved the appointment of Mr. Chintamani Bhagat as an Additional Director in the category of Nominee Director. He holds the office of Director up to the date of this AGM pursuant to Section 161 of the Companies Act, 2013 and Article 130 of the Articles of Association of the Company. He is a nominee of Domestic & Financial Institutional Investors / Shareholders.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of ₹ 100,000/- proposing the candidature of Mr. Bhagat for appointment as a Director of the Company. He will be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits prescribed by the Companies Act, 2013 and as approved by the Members at the 16th AGM of the Company held on July 29, 2013.

Mr. Chintamani Bhagat is the Executive Director, Investments at Khazanah. He joined Khazanah from McKinsey & Co ("McKinsey"), where his last position was that of Managing Partner in the Singapore Office. He was also a senior leader for the Principal Investor, and Healthcare Systems and Services practices. Over the 24 years of his working career, he has broad experience in investments, driving portfolio company performance, and designing and implementing governance systems. Prior to McKinsey, he held various positions at an engineering and construction firm in India, culminating in his role as CEO. Mr. Bhagat holds an MBA from INSEAD Business School and is a qualified architect.

Other details of Mr. Chintamani Bhagat has been given in the Exhibit to this Notice.

Except Mr. Chintamani Bhagat, none of the Directors or Key Managerial Personnel and / or his relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

The Board of Directors recommend passing of Ordinary Resolution as set out in Item No. 4 for the approval of the Shareholders.

Item No. 5

Reappointment of Mr. Vikram Limaye as Managing Director & CEO of the Company

The Nomination & Remuneration Committee and the Board at its respective meetings held on April 29, 2016, after taking into consideration the vast and valuable experience of Mr. Limaye and progress made by the Company under his leadership approved his reappointment as the Managing Director & CEO of the Company for a further period of 3 years with effect from May 1, 2016, on the terms and conditions as set out in the resolution No. 5. The cost to Company on consolidated basis viz. annual increments will be subject to approval of the NRC and Board from time to time. The remuneration paid to Mr. Limaye is in line with the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013.

Mr. Limaye has been associated with IDFC Group for over one decade. He overseas the management of all the businesses within IDFC Group, other than IDFC Bank. The Shareholders of the Company had appointed Mr. Vikram Limaye as Managing Director & CEO at the AGM held on July 29, 2013 for a period of three years w.e.f. May 2, 2013.

Mr. Vikram Limaye is the Managing Director & CEO of IDFC Limited. He started his professional career with Arthur Andersen in Mumbai in 1987 while pursuing his Chartered Accountancy and worked in the audit and business advisory services groups of Arthur Andersen, Ernst & Young and the consumer banking group of Citibank before going to the US in 1994 to pursue a MBA. After completing his MBA, he worked on Wall Street in USA for 8 years with Credit Suisse First Boston in a variety of roles in investment banking, capital markets, structured finance and credit portfolio management before returning to Mumbai, India in 2004. He has contributed to various committees of government and industry associations on a range of topics surrounding infrastructure, economic policy, markets, trade, minority affairs etc. He has been a speaker at various domestic and international conferences and been part of international government delegations for infrastructure and foreign direct investments into India.

He completed his Bachelors in Commerce from HR College of Commerce & Economics, Chartered Accountancy and a MBA in Finance and Multinational Management from the Wharton School of the University of Pennsylvania, USA.

Other details of Mr. Vikram Limaye has been given in the Exhibit to this Notice.

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

The Board of Directors recommend passing of Ordinary Resolution as set out in Item No. 5 for approval of the Shareholders.

Except Mr. Vikram Limaye, none of the Directors or Key Managerial Personnel and / or his relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

Item No. 6

Reappointment of Mr. Donald Peck as an Independent Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on April 29, 2016 approved the appointment of Mr. Donald Peck as an ID to hold office till the conclusion of the 21st AGM of the Company to be held for FY18. The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member along with a deposit of ₹ 100,000/- proposing the candidature of Mr. Donald Peck for appointment as an ID of the Company.

As per the applicable provisions of the Companies Act, 2013, Mr. Donald Peck was appointed as an ID for a period of two years from the conclusion of the 17th AGM of the Company held for FY 2014 till the conclusion of the 19th AGM of the Company to be held for FY 2016. As per the provisions of Section 149(10) & (11) of the Companies Act, 2013, an ID can hold office for a term of five consecutive years on the Board of the Company, but shall be eligible for another term of five consecutive years, if the same is approved by the shareholders by way of Special Resolution. Mr. Peck's first term is getting over at the ensuing AGM to be held for FY16. Considering the valuable contributions and continued association of Mr. Peck, it is proposed to reappoint Mr. Donald Peck as an ID of the Company from the conclusion of the ensuing AGM till the conclusion of 21st AGM to be held for FY18. He fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is Independent of the Management. In the opinion of the Board, Mr. Peck is a person of integrity and has the necessary knowledge, experience and expertise for being reappointed as an ID. He shall not be liable to retire by rotation. He will be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits prescribed by the Companies Act, 2013 and as approved by the Members at the 16th AGM of the Company held on July 29, 2013.

Mr. Peck has given a declaration of Independence pursuant to Section 149(6) and 149(7) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 along with his affirmance to the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

Mr. Donald Peck is an Independent Director on the Board of IDFC. He was earlier nominated as a Director by the Domestic Institutions and the Foreign Investors of the Company. He is a national of the United Kingdom.

He is an emerging market economist, business advisor and investor who has spent 30 years in emerging market including 12 years building Venture Capital businesses in India. Mr. Peck has worked for 10 years in the emerging markets investment banking division at Lloyds Bank and Morgan Grenfell and for three years in the capital markets / private equity division at IFC.

He has a Doctorate in Economic History from the Oxford University.

Other details of Mr. Donald Peck has been given in the Exhibit to this Notice.

Except Mr. Donald Peck, none of the Directors or Key Managerial Personnel and / or his relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

The Board of Directors recommend passing of Special Resolution as set out in Item No. 6 for approval of the Shareholders.

Item No. 7

Approval of the Borrowing Limits of the Company including Issue of Non-Convertible Securities under Private Placement

Section 180(1)(c) of the Companies Act, 2013, provides that the Board of Directors shall exercise the power to borrow money, where the monies to be borrowed, together with the monies already borrowed by the Company, exceed aggregate of paid-up share capital and free reserves of the Company, apart from temporary loans obtained from the Company's banker in the ordinary course of business, only with the consent of the Company by a Special Resolution.

IDFC Limited received an In-principle approval from the Reserve Bank of India (**"RBI"**) on April 9, 2014 to set up a new bank under the Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013. The terms and conditions contained in the said Guidelines required IDFC to Transfer / Demerge all assets and liabilities of its lending businesses ("Financing Undertaking") to IDFC Bank Limited (**"IDFC Bank"**). The Demerger of the Financing Undertaking was approved by the Hon'ble High Court of Madras vide its Order dated June 25, 2015 and the same became effective w.e.f. October 1, 2015. Post Demerger, from October 1, 2015, the Company is operating as NBFC – Investment Company mainly holding investment in IDFC FHCL (NOFHC), which in turn, holds investments in IDFC Bank and other regulated subsidiaries of the Company.

The Shareholders of the Company, at the AGM held on July 29, 2014, had approved the proposal to borrow monies up to ₹ 80,000 crore under Section 180(1)(c) of Companies Act, 2013. Since the Company is now operating as an Investment Company only, the borrowing requirements have reduced and accordingly consent of the Shareholders is now sought for borrowing funds upto the limit of ₹ 10,000 crore, outstanding at any point of time, including by way of issuance of Non-Convertible Debentures and Commercial Papers, on Private Placement basis. Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 every proposed offer of Securities or invitation to subscribe to Securities on private placement basis requires prior approval of Members of the Company by way of Special Resolution. However, in case of offer/ issuance of NCDs, passing of a Special Resolution by the Members for all such offers / invitation for such NCDs, once in a year is sufficient. The pricing of the said NCDs and CPs will depend primarily upon the then prevailing market conditions and the regulatory scenario. The pricing for each of the issuance would be approved by the Board of Directors or any of its Committee duly authorized in this regard.

Further, as on March 31, 2016, there were no borrowings of the Company and the Net worth of the Company was around ₹ 9,500 crore as on that date, based on which the borrowing limit of ₹ 10,000 crore is proposed.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 7 for approval of the Shareholders.

None of the Directors or Key Managerial Personnel and / or their relatives is deemed to be interested or concerned in this resolution.

By order of the Board of Directors

Ketan S. Kulkarni
Company Secretary

Mumbai | June 25, 2016

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. Gautam Kaji	Mr. Chintamani Bhagat
Date of Birth	June 15, 1941	April 15, 1969
Age	75 Years	47 Years
Date of Appointment	October 1, 2015	October 31, 2015
No. of Board Meetings attended during 2015-16	5	2
Directorships held in all other companies	**Public Company** 1. IDFC Alternatives Limited	**Public Companies** NIL **Private / Section 8 / Foreign Companies** 1. Parkway Pantai Limited 2. Khazanah India Advisors Private Limited 3. Actoserba Active Wholesale Private Limited 4. Vas Data Services Private Limited 5. Fractal Analytics Private Limited
Memberships / Chairmanships of Committees of the Board of all companies	**Audit Committee** 1. IDFC Limited (Chairman) 2. IDFC Alternatives Limited (Chairman) **Nomination & Remuneration Committee** 1. IDFC Limited (Member) 2. IDFC Alternatives Limited (Member) **Risk Management Committee** 1. IDFC Limited (Member)	NIL
Number of Equity Shares held in the Company	NIL	NIL
Inter-se relationship with other Directors / Manager / KMP	NIL	NIL
Details of Remuneration sought to be paid	(i) Sitting Fees & Commission (ii) For commission refer Table 4 of the Corporate Governance Report which forms part of this Annual Report	
Remuneration last drawn by the Director	Refer Table 5 of the Corporate Governance Report which forms part of this Annual Report	

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. Donald Peck	Mr. Vikram Limaye
Date of Birth	May 28, 1952	September 22, 1966
Age	64 Years	49 Years
Date of Appointment	July 21, 2009	September 15, 2008 as Whole time Director May 1, 2013 as Managing Director & CEO
No. of Board Meetings attended during 2015-16	3	6
Directorships held in all other companies	**Public Company** 1. IDFC Financial Holding Company Limited	**Public Companies** 1. IDFC Bank Limited 2. Eclerx Services Limited 3. IDFC Securities Limited 4. IDFC Alternatives Limited 5. IDFC Asset Management Company Limited 6. IDFC Infra Debt Fund Limited 7. Philips India Limited 8. VLCC Health Care Limited **Private / Section 8 / Foreign Companies** 1. IDFC Foundation 2. IDFC Capital (Singapore) Pte. Limited 3. IDFC Securities Singapore Pte. Limited
Memberships / Chairmanships of Committees of the Board of all companies	**Audit & Risk Committee** 1. IDFC Financial Holding Company Limited (Member) **Nomination & Remuneration Committee** 1. IDFC Limited (Chairman) 2. IDFC Financial Holding Company Limited (Chairman) **Corporate Social Responsibility Committee** 1. IDFC Limited (Member) 2. IDFC Financial Holding Company Limited (Member) **Investment Committee** 1. IDFC Limited (Member)	**Audit Committee** 1. IDFC Bank Limited (Member) **Stakeholders Relationship Committee** 1. IDFC Limited (Member) 2. IDFC Bank Limited (Member) **Nomination & Remuneration Committee** 1. IDFC Securities Limited (Member) 2. IDFC Alternatives Limited (Chairman) 3. IDFC Asset Management Company Limited (Member) 4. IDFC Infra Debt Fund Limited (Member) 5. Philips India Limited (Member) **Risk Management Committee** 1. IDFC Limited (Member) 2. IDFC Bank Limited (Member) 3. IDFC Infra Debt Fund Limited (Member) **Corporate Social Responsibility Committee** 1. IDFC Limited (Chairman) 2. IDFC Alternatives Limited (Chairman) 3. IDFC Infra Debt Fund Limited (Member) 4. IDFC Asset Management Company Limited (Chairman) **Investment Committee** 1. IDFC Limited (Member) **Credit Committee** 1. IDFC Bank Limited (Member) 2. IDFC Infra Debt Fund Limited (Member) **Share Transfer & Allotment Committee** 1. IDFC Limited (Member) 2. IDFC Bank Limited (Member)
Number of Equity Shares held in the Company	NIL	2,217,728 equity shares (as on June 25, 2016)
Inter-se relationship with other Directors / Manager / KMP	NIL	NIL
Details of Remuneration sought to be paid	(i) Sitting Fees & Commission (ii) For commission refer Table 4 of the Corporate Governance Report which forms part of this Annual Report	Refer Item no. 5 of this 19th AGM Notice
Remuneration last drawn by the Director	Refer Table 5 of the Corporate Governance Report which forms part of this Annual Report	

NOTES

IDFC LIMITED

Corporate Identity Number: L65191TN1997PLC037415 info@idfc.com; www.idfc.com
Regd. Office: KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai - 600 031. **Tel:** + 91 44 4564 4000 **Fax:** +91 44 4564 4022
Corp. Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. **Tel:** + 91 22 4222 2000 **Fax:** +91 22 2654 0354

PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

19th ANNUAL GENERAL MEETING – JULY 27, 2016

Name of the Member(s) :	
Registered address :	
E-mail Id:	
Folio No. / DP ID No. Client ID No.:	

I/We, being the holder(s) of _____ equity shares of IDFC Limited, hereby appoint :

1. Name :_____ E-mail Id :_____

   Address:_____

   _____ Signature: _____ or failing him/her

2. Name :_____ E-mail Id :_____

   Address:_____

   _____ Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 19th Annual General Meeting of the Company, to be held on Wednesday, July 27, 2016 at 2.00 p.m. at 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, Tamil Nadu, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Particulars	Vote (Optional[2]) (Please put a (✓) mark or please mention no. of shares)		
ORDINARY BUSINESS		**For**	**Against**	**Abstain**
1.	To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon; and			
2.	To appoint Auditors and to fix their remuneration.			
SPECIAL BUSINESS				
3.	Appointment of Mr. Gautam Kaji as an Independent Director of the Company			
4.	Appointment of Mr. Chintamani Bhagat as a Nominee Director of the Company			
5.	Reappointment of Mr. Vikram Limaye as Managing Director & CEO of the Company			
6.	Reappointment of Mr. Donald Peck as an Independent Director of the Company			
7.	Approval of the Borrowing Limits of the Company including Issue of Non-Convertible Securities under Private Placement			

Signed this _____ day of _____ 2016

AFFIX Revenue Stamp of ₹ 1

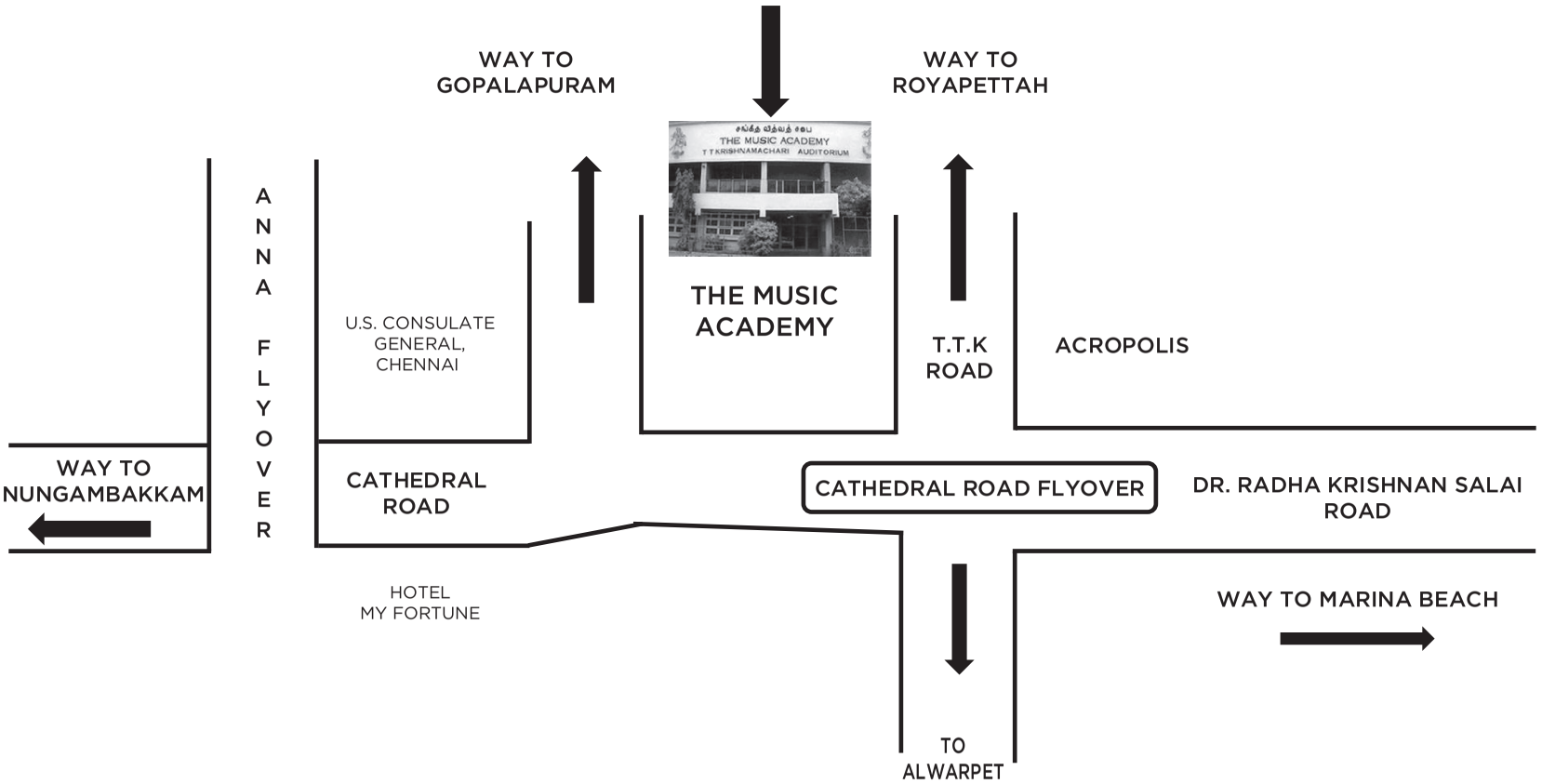
Signature of Shareholder _____ Signature of Proxy holder(s) _____

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

19th AGM of IDFC LIMITED

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, TAMIL NADU.



ROUTE MAP FOR IDFC LIMITED AGM VENUE

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