

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 Eighteenth Annual General Meeting (“**AGM**”) of the Members of IDFC Limited (“**IDFC**” or “**the Company**”) will be held on **Thursday, July 30, 2015** at **2:00 p.m.** at The Music Academy, Kasturi Srinivasan Hall, New No. 168 (Old No. 306), Next to Acropolis Building, 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 of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Joseph Dominic Silva (DIN: 06388807), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 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, 2016.”

SPECIAL BUSINESS

5. Appointment of Mr. Vinod Rai as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 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 and pursuant to the Listing Agreement with Stock Exchanges, Mr. Vinod Rai (DIN - 01119922), in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose Mr. Vinod Rai as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of

three (3) consecutive years to hold office from the conclusion of 18th (Eighteenth) Annual General Meeting (“**AGM**”) till the conclusion of 21st (Twenty First) AGM of the Company 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. Vinod Rai 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. Mahendra N. Shah, 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.”

6. Offer and Issue Non-Convertible Securities under Private Placement

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

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to all the applicable laws and regulations, including but not limited to the Listing Agreement entered with the Stock Exchanges; 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 Articles of Association, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**the Board**”) which term shall be deemed to include any Committee thereof) to borrow from time to time, by issuance of Non-Convertible Securities, including but not limited to Non-Convertible Debentures (“**NCDs**”) and Commercial Papers (“**CPs**”), on Private Placement basis, with a view to augment the business of the Company, upto an amount not exceeding ₹ 80,000 crore (Rupees Eighty Thousand Crore only), outstanding at any point of time, under one or more shelf disclosure documents, during the period from the conclusion of 18th (Eighteenth) Annual General Meeting (“**AGM**”) until the conclusion of 19th (Nineteenth) AGM, on such terms and conditions as the Board may deem fit and appropriate for each series as the case may be.

RESOLVED FURTHER THAT the said limit of ₹ 80,000 crore (Rupees Eighty Thousand Crore only) shall be within the overall borrowing limit as approved by the Members at the 17th (Seventeenth) AGM under Section 180(1)(c) of the Companies Act, 2013.

NOTICE (continued)

RESOLVED FURTHER THAT Dr. Rajiv B. Lall - Executive Chairman, Mr. Vikram Limaye - Managing Director & CEO, Mr. Sunil Kakar - Chief Financial Officer and Mr. Mahendra N. Shah - 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."

By order of the Board of Directors

Mahendra N. Shah

Company Secretary

Mumbai, June 30, 2015

NOTES:

1. The Statement pursuant to Section 102(1) 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 ON A POLL INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY FILLED, SIGNED AND STAMPED PROXY 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 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, at any time between 9.00 a.m. to 6.00 p.m. 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 Reports and the Attendance Slips 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 Corporate Office of the Company at IDFC Limited, Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
4. Pursuant to the requirements on Corporate Governance under Clause 49 of Listing Agreement entered into with Stock Exchanges, the brief profiles of Directors proposed to be appointed / reappointed 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(1) 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 Auditors of the Company certifying that the Company's Employee Stock Option Scheme is being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, 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. **DIVIDEND:**
 - a) The Register of Members and Share Transfer Books will remain closed from **July 25, 2015 to July 30, 2015** (both days inclusive) for determining the names of Members eligible to receive dividend on equity shares.
 - b) Dividend for the year ended March 31, 2015, at the rate of 26% i.e. ₹ 2.60/- per equity share of ₹ 10/- each, if approved by the Members at the AGM, will be payable on or after **July 31, 2015**, to those Members who hold shares -
 - In dematerialised mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on **July 24, 2015**.
 - In physical mode, if their names appear in the Register of Members at the close of business hours on **July 24, 2015**. The instruments of transfer in respect of shares held in physical form of the Company should be lodged with Karvy Computershare Private Limited, [Unit: IDFC Limited] Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, India ("**Karvy**"), so as to reach them on or before **July 24, 2015**.

NOTICE (continued)

11. Members are requested to address all correspondence, including change in address, bank account details and dividend matters, to 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”).
12. Pursuant to the applicable provisions of Companies Act, 1956, the amount of dividend/interest not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend / interest account, is required to be transferred to the Investor Education and Protection Fund (“IEPF”) established by the Central Government. Accordingly, the request for unclaimed dividend in respect of FY08 must reach Karvy on or before August 21, 2015, failing which it would be transferred to IEPF after that date.
13. Members who have either not received or have not encashed their dividend warrant(s) for any of the financial years from 2007-08 up to 2013-14, 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).
14. **GREEN INITIATIVE:**
 - a) In support of the Green Initiative, copies of the Annual Report for FY15 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 FY15 are being sent by the permitted mode. Members may also note that Notice and Explanatory Statement 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 einward.ris@karvy.com or send a hard copy thereof to Karvy.
15. **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 Clause 35B of the Equity Listing Agreement, 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. Friday, July 24, 2015**, 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 **Monday, July 27, 2015** at **9:00 a.m.** and ends on **Wednesday, July 29, 2015** at **5:00 p.m.** 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 recent amendment to 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. Friday, July 24, 2015**.
 - c) The Board of Directors has appointed Mr. B. Narasimhan, Company Secretary of M/s BN & Associates, Company Secretaries, as the Scrutinizer to scrutinize the Remote e-voting process and voting process at the AGM in a fair and transparent manner.
 - d) An Attendance Slip containing the e-voting USER ID & PASSWORD along with the detailed instructions for Remote e-voting are enclosed with this Notice.
16. 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 3 days from the conclusion of the AGM.

NOTICE (continued)

ANNEXURE TO NOTICE

Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out all material facts:

Item No. 5

Appointment of Mr. Vinod Rai as Independent Director of the Company

Mr. Vinod Rai is currently a member of the Advisory Council of the Company. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of IDFC appointed Mr. Rai as an Additional Director, in the category of Independent Director (“ID”), on June 30, 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 ₹ 1,00,000/- proposing the candidature of Mr. Vinod Rai for appointment as an ID of the Company.

Mr. Rai 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 affirmation to the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

A detailed profile of Mr. Rai has been given in the Exhibit to this Notice. The Board considers that his wide experience of working in various capacities at both, the Federal and State Governments would be of immense benefit to the Company. In the opinion of the Board, Mr. Rai fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is Independent of the Management.

Mr. Rai is proposed to be appointed as ID for a period of 3 (Three) consecutive years from the ensuing 18th AGM till the conclusion of 21st AGM 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. Vinod Rai, none of the Directors or Key Managerial Personnel and / or their relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

The Board of Directors recommend passing of Ordinary Resolution as set out in Item No. 5 of this Notice.

All the documents pertaining to the appointment of Mr. Rai 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.

Item No. 6

Offer and Issue Non-Convertible Securities under Private Placement

IDFC has been borrowing through issue of Secured Redeemable Non-Convertible Debentures (“NCDs”) and Commercial Papers (“CPs”) on Private Placement (“PP”) basis, from time to time.

Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, lays down the provisions subject to which a company is allowed to issue securities on PP basis. Every proposed offer of Securities or invitation to subscribe to Securities on PP 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 debentures, once in a year is sufficient.

In view of the aforesaid provisions and in order to augment the business of the Company, it is proposed to seek approval of the Members for borrowing, from time to time, by issuance of Non-Convertible Securities, including but not limited to NCDs and CPs, on PP basis, up to an amount not exceeding ₹ 80,000 crore (Rupees Eighty Thousand Crore only), outstanding at any point of time, The said limit of ₹ 80,000 crore (Rupees Eighty Thousand Crore only) shall be within the overall borrowing limit as approved by the Members at the 17th (Seventeenth) AGM under Section 180(1)(c) of the Companies Act, 2013.

The pricing of the 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.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 6 of this Notice.

None of the Directors or Key Managerial Personnel and / or their relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

By order of the Board of Directors

Mahendra N. Shah

Company Secretary

Mumbai, June 30, 2015

NOTICE (continued)

EXHIBIT TO NOTICE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished in respect of Directors proposed to be appointed/reappointed.

Name of the Director	Mr. Joseph Dominic Silva	Mr. Vinod Rai
Date of Birth	December 11, 1964	May 23, 1948
Age	50 yrs	67 yrs
Date of Appointment	October 26, 2012	June 30, 2015
Qualifications and Nature of Expertise	<p>Mr. Joseph Silva is a Non-Independent, Non-Executive Director on the Board of IDFC. Mr. Silva is currently Executive Director (Investments) of Khazanah Nasional Berhad and also serves as a Director on the Boards of CIMB Bank Berhad, PT Bank CIMB Niaga Tbk, ASTRO Holdings Sdn Bhd, Iskandar Malaysia Studios Snd Bhn, among others. Mr. Silva has 18 years of experience in the banking sector with extensive regional and international exposure.</p> <p>Before joining Khazanah, Mr. Silva spent 18 years in the banking sector, 12 of which were with ABN AMRO Bank in regional and international roles where he looked after relationship management, structured finance, capital markets, risk and portfolio management and strategic business development. Earlier, he worked with a major Japanese financial group in Asia within the Corporate Finance division.</p> <p>Mr. Silva is a finance graduate from the University of Wales and has completed the Senior Management Program at Henley Management College, UK.</p>	<p>Mr. Vinod Rai was the former Comptroller and Auditor General of India. He is the current chairman of UN Panel of External Auditors. Mr. Rai has wide experience of working in various capacities at both, the Central and State Governments. His previous position was as Secretary in the Ministry of Finance - Gol, where he was responsible for managing the Financial Services sector, including banks and insurance companies. He had been a Director on several Boards including the State Bank of India, ICICI Bank, IDBI Bank, Life Insurance Corporation of India and IDFC.</p> <p>Mr. Rai was instrumental in setting up the India Infrastructure Finance Company Limited and was also on the Board of this company. Mr. Rai has also been the Principal Secretary (Finance) in the State Government of Kerala, apart from holding senior positions in the Ministries of Commerce and Defence, Gol. Mr. Vinod Rai has a Masters Degree in Economics from Delhi School of Economics, University of Delhi. He has a Masters Degree in Public Administration from Harvard University, USA.</p>
Directorships held in other Indian public companies (other than Section 8 companies)	NIL	NIL
Memberships / Chairmanships of Committees	NIL	NIL
Number of Equity Shares held in the Company	NIL	NIL

IDFC LIMITED

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Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

18th ANNUAL GENERAL MEETING – JULY 30, 2015

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: _____ or failing him/her

3. 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 18th Annual General Meeting of the Company, to be held on Thursday, July 30, 2015 at 2:00 p.m. at The Music Academy, Kasturi Srinivasan Hall, New No. 168 (Old No. 306), Next to Acropolis Building, 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
ORDINARY BUSINESS	
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2.	To declare dividend on equity shares.
3.	To appoint a Director in place of Mr. Joseph Dominic Silva (DIN: 06388807), who retires by rotation and being eligible, offers himself for reappointment.
4.	To appoint Auditors and to fix their remuneration.
SPECIAL BUSINESS	
5.	Appointment of Mr. Vinod Rai (DIN: 01119922) as an Independent Director.
6.	Offer and Issue Non-Convertible Securities under Private Placement.

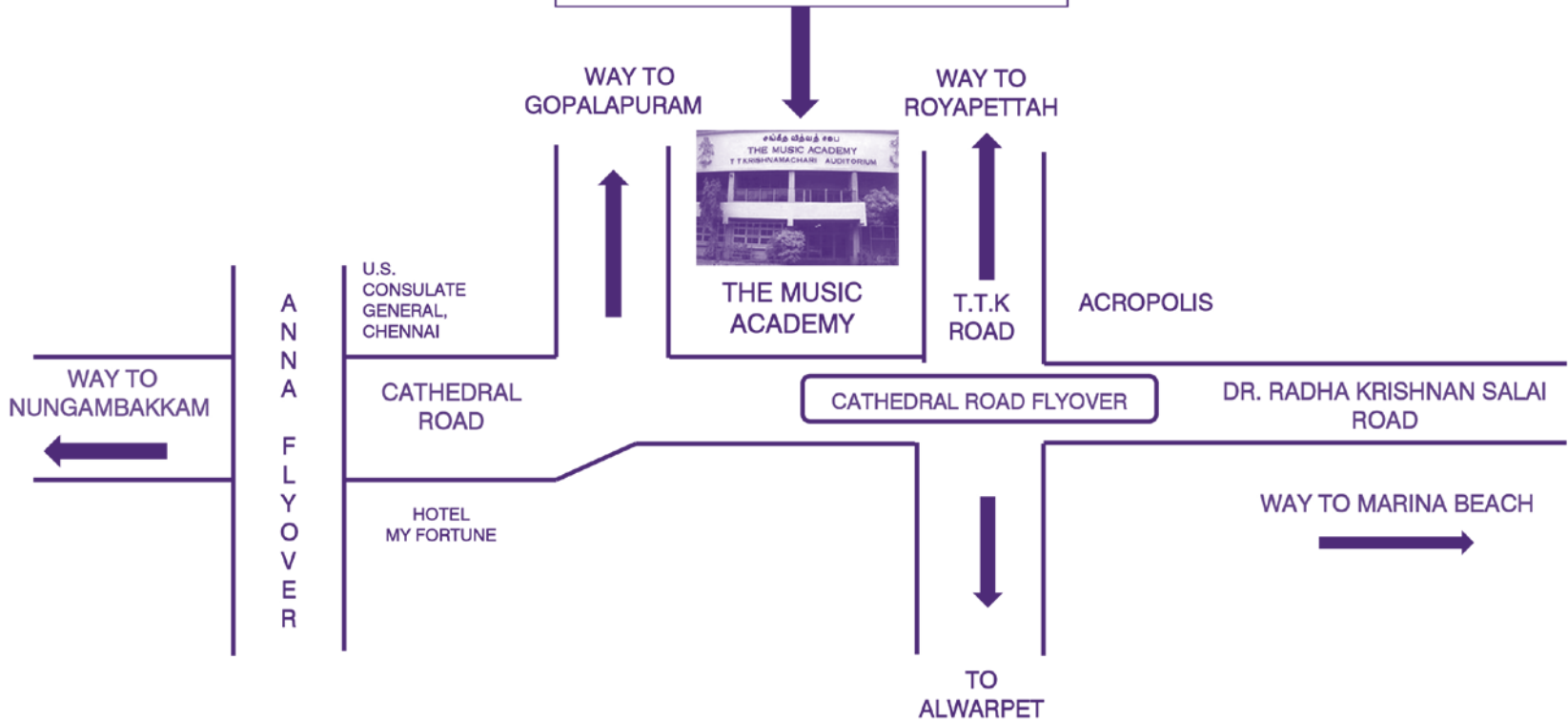
Signed this _____ day of _____ 2015

AFFIX
Revenue
Stamp of
₹ 1

Signature of Shareholder _____ Signature of Proxy holder(s) _____

Note: 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.

18th AGM of IDFC Limited
THE MUSIC ACADEMY,
KASTURI SRINIVASAN HALL,
Next to Acropolis Building,
New No. 168 (Old No.306), T.T.K. Road,
Royapettah, Chennai 600 014, Tamil Nadu



ROUTE MAP FOR IDFC AGM VENUE



new directions

EIGHTEENTH ANNUAL REPORT 2014-2015



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notice

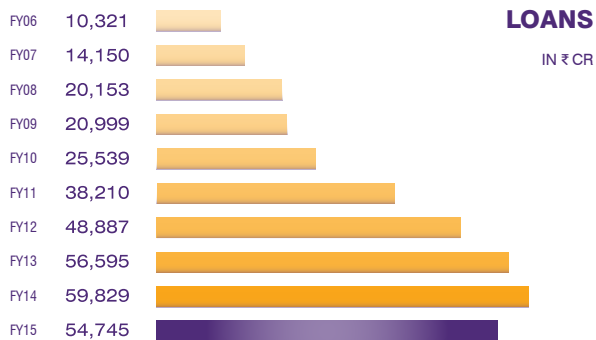
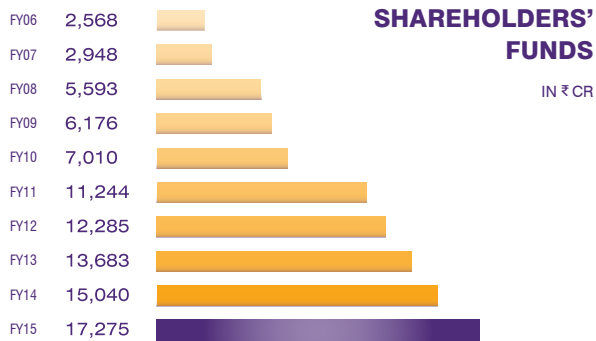
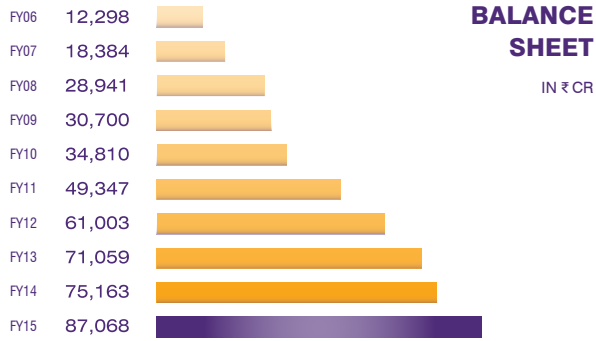
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Infrastructure is about environment, too. 275,000+ Shareholders have already asked for a paperless annual report. Join them and save paper. Just drop us an e-mail.

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. Those 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 'einward.ris@karvy.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.

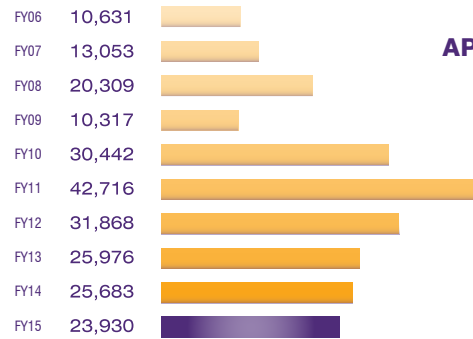
ten years' highlights



2006
2015

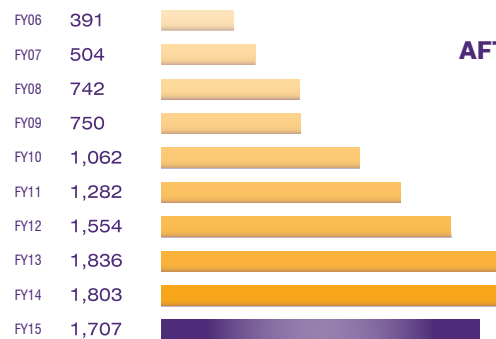
GROSS APPROVALS

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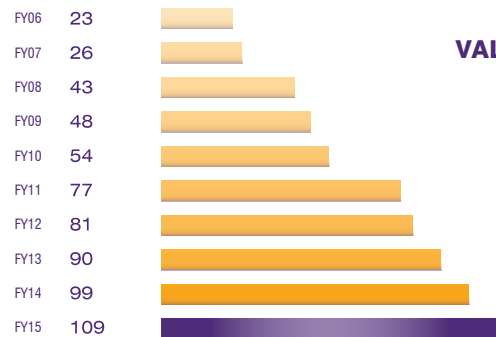
PROFIT AFTER TAX

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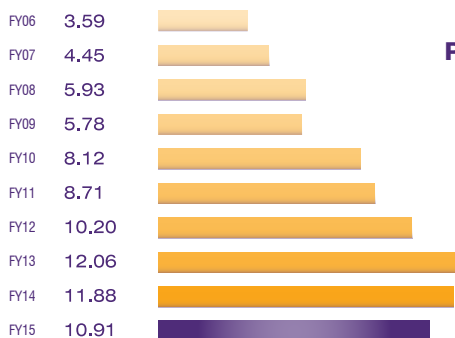
BOOK VALUE PER SHARE

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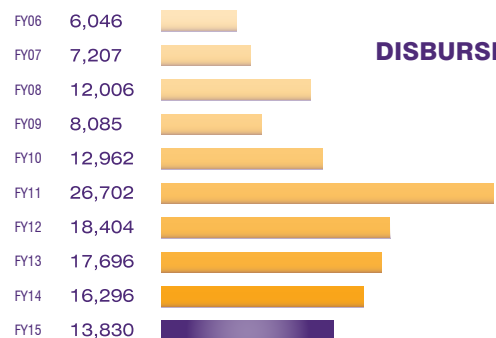
EARNINGS PER SHARE DILUTED

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GROSS DISBURSEMENTS

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chairman's statement

During FY15, the macroeconomic scenario showed signs of improvement helped by the fall in global crude prices, a more manageable current account deficit and smaller fiscal deficit. With the pressure on inflation reducing, the space has opened up for further monetary policy easing albeit some uncertainty remains on account of the potential impact of the monsoon on food prices. After the 2014 Lok Sabha elections resulted in a clear majority for the new Government, there has been considerable optimism that the bottlenecks affecting the infrastructure sector in particular will be cleared and we will see a more sustained revival of the growth cycle.

Significant challenges remain. The issues faced by the infrastructure sector are well known. In a nutshell, the torrid pace of private sector engagement over the past several years has run ahead of our institutional capacity to administer, regulate and adjudicate effectively private participation in infrastructure development. Insufficient coal and gas to fuel old and new power plants caused in part by poor planning and preparation, delays in getting environment and other critical approvals for projects under construction, problems with land acquisition, frequent and unpredictable changes in regulations and policy, and extended delays in dispute resolution have all contributed to the woes

of the infrastructure sector. In addition, infrastructure promoters have taken on too much debt which they are having difficulty servicing. These issues have caused asset quality problems for banks & financial institutions who, with weakened balance sheets, have become shy about financing new projects. Equity investors in infrastructure and developers of infrastructure assets have likewise seen their investment returns decline substantially and this is inhibiting the flow of risk capital for new infrastructure development.

In the past few months, the Government has taken steps towards resolving some of these problems. One of the most pressing challenges in the sector has been the lack of fuel for power plants. Despite having the fourth largest coal reserves in the world, the country's power sector does not get the coal it needs. Coal India's production has been unable to keep pace with the increase in domestic coal based power capacity. Further, over 20,000 MW of gas based power plants do not have adequate gas to operate at full capacity. In an effort to address fuel issues relating to thermal power plants, bidding for captive coal mines and allocation of subsidy for stranded gas based plants has been implemented. However, these measures by themselves will not be enough to trigger a turnaround in the power sector, where projects continue to be

hampered by extremely slow dispute resolution and the chronically poor financial health of the state distribution companies.

In the road sector, there has been lack of participation from private developers in bidding for new toll concessions. Weak balance sheets, high financing costs and rising construction costs have dampened their enthusiasm. Besides, banks have become wary about disbursing funds to greenfield road projects which have not acquired all the necessary land, or received the needed right of way clearances. To help speed up construction of road projects, some exemptions related to environmental clearance and right of way have been introduced. Promoters of completed road projects have been allowed easier exits to help churn their capital from completed projects into new greenfield projects. NHAI has also taken a more pragmatic approach to clearing up contractual disputes. It is too early to tell if these measures will be sufficient to revive private investment in roads.

In the telecom sector, FY15 saw successful auctions for spectrum across 4 bands. Major incumbent operators participated aggressively to retain their spectrum holdings critical for continuity of their operations. Some also managed to garner additional spectrum in certain circles, thus consolidating

their position. A total of 470.75 MHz of spectrum was put to auction by DoT, out of which 418 MHz was sold. The auctions generated revenues of ₹ 1.1 lakh crore for the Government, over 70% of which will be paid over a 12 year period.

In addition to sector specific initiatives, the Government has also focused on reducing delays and obstacles to project completion. The project monitoring group in the Cabinet Secretariat has cleared over 90 stalled projects with an investment value of ₹ 2.6 lakh crore over the past one year. But all these initiatives notwithstanding, the Government recognizes that it cannot rely on a resurgence in private investment in infrastructure in the immediate future. Restoring confidence and repairing balance sheets will take time. In the interim, the Government has consciously embarked on a plan to expand public sector spending on infrastructure. The Union Budget in February 2015 announced an increase in public investment in infrastructure by over ₹ 70,000 crore over the previous year. The creation of a National Investment and Infrastructure Fund was announced to be financed initially with ₹ 20,000 crore annually from the Government. The Government has also proposed an ambitious investment of ₹ 8.5 lakh crore for the Indian Railways over the next five years with an emphasis on capacity expansion, decongestion of the existing network and passenger safety. The Sagarmala project aimed at port led development in coastal states has been approved. The project proposes to integrate hinterlands through road and rail networks. The Government has also given special emphasis to infrastructure development in the North East states. These projects should provide much needed stimulus to investment activity in the sector.

We are hopeful that a combination of a more benign macro economic situation, lower interest rates, sector specific policy measures and greater targeted public spending on infrastructure will begin to yield positive results in the coming year. Such a resurgence in economic activity would be a great boost for IDFC's new banking initiative.

Obtaining an In-principle banking license from the Reserve Bank of India ("RBI") in April 2014 has been the most significant event for IDFC in the recent past. IDFC was one of over 25 entities which had applied in June 2013 for the license. RBI granted the banking license to only two entities of which IDFC was one, after a rigorous screening process. Accordingly, IDFC Bank Limited ("**IDFC Bank**") was incorporated on October 21, 2014. We expect to commence banking operations in October 2015.

As per the terms and conditions contained in the Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013, all assets and liabilities of lending businesses of IDFC will be demerged into IDFC Bank pursuant to a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 ("**Demerger Scheme**"). Following consultations with our Shareholders and Creditors, the Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, has approved the Demerger Scheme.

Since its inception IDFC has developed a consistent and superior track record and has successfully crafted a differentiated business model as an infrastructure finance company. The banking license will allow us to provide a much wider range of products and services to a more diversified customer base, while also enabling us to serve our infrastructure clients

better. We will soon be able to serve the full range of financial needs of our clients. Beside, there are large segments of the economy that are under-penetrated from a financial services perspective and this will be an opportunity for IDFC to become a truly universal financier and continue delivering stable earnings growth for Shareholders. We intend to build a successful bank with the same dedication and passion that we have shown in the past without losing our long term perspective.

I wish to sincerely thank the entire IDFC staff, our Shareholders and other Stakeholders for their contribution and support over the past few years. It promises to be an exciting journey going ahead and I look forward to the cooperation of all our Stakeholders to take our company to new heights.



RAJIV B. LALL
Executive Chairman

June 30, 2015



company
information

BOARD OF DIRECTORS

Dr. Rajiv B. Lall
EXECUTIVE CHAIRMAN

Ms. Snehlata Shrivastava
NOMINEE - GOVERNMENT OF INDIA

Mr. Joseph Dominic Silva
NOMINEE - INSTITUTIONAL INVESTORS

Mr. S. H. Khan
INDEPENDENT DIRECTOR

Mr. S. S. Kohli
INDEPENDENT DIRECTOR

Mr. Gautam Kaji
INDEPENDENT DIRECTOR

Mr. Donald Peck
INDEPENDENT DIRECTOR

Mr. Vinod Rai
INDEPENDENT DIRECTOR
(APPOINTED W.E.F. JUNE 30, 2015)

Mr. Shardul Shroff
INDEPENDENT DIRECTOR
(TILL JUNE 03, 2014)

Dr. Omkar Goswami
INDEPENDENT DIRECTOR

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
TEL +91 44 4564 4000
FAX +91 44 4564 4022

OTHER OFFICES

NEW DELHI

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

CORPORATE OFFICE

MUMBAI

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

BENGALURU

No. 9/7, 2nd Floor, K.C.N. Bhavan, Yamunabai Road,
Madhav Nagar Extension,
Off Race Course Road, Bengaluru 560 001
TEL +91 80 4344 8000
FAX +91 80 4344 8001

CORPORATE INFORMATION

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Mahendra N. Shah

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants

SOLICITORS & ADVOCATES

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

PRINCIPAL BANKER

HDFC Bank Limited

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai 400 001
TEL +91 22 4080 7000
FAX +91 22 6631 1776



board's report

Dear Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2015.

The Company's financial performance, for the year ended March 31, 2015 is summarised on the facing page.

OPERATIONS REVIEW

Your Company is engaged *inter alia* in the business of financing infrastructure projects in sectors like energy, telecommunication, transportation, commercial and industrial projects including hospitals, education, tourism and hotels.

Balance Sheet grew by 17% Year on Year (YoY) to reach ₹ 86,520 crore and Net Loans at ₹ 52,427 crore witnessed a reduction of 10% YoY. As on March 31, 2015, IDFC's total exposure was ₹ 75,573 crore, of which Energy was highest at 37%, followed by Telecommunication 24%, Transportation 24%, and Others 15%.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2.60 per equity share of ₹ 10 each (i.e. 26%) for the year ended March 31, 2015.

The Register of Members and Share Transfer Books will remain closed from July 25, 2015 to July 30, 2015 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2015.

Dividend will be paid to those Members whose names appear in the Register of Members as on July 24, 2015; in respect of shares held in dematerialised form, it will be paid to those Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

Above dividend would be paid subject to approval by the Members at the ensuing Annual General Meeting ("AGM").

DEMERGER

IDFC Limited ("IDFC" or "the Company") was granted an In-principle approval by the Reserve Bank of India on April 9, 2014 ("RBI In-Principle Approval") to set up a new bank in the private sector under Section 22 of the Banking Regulation Act, 1949. Accordingly, a new company namely IDFC Bank Limited

("IDFC Bank") was incorporated on October 21, 2014.

The terms and conditions contained in the RBI in principle approval and the Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013 ("RBI New Banking Guidelines") requires IDFC to transfer all lending and financing business ("Financing Undertaking") to IDFC Bank. Accordingly, the Financing Undertaking is to be demerged into IDFC Bank pursuant to a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 ("Demerger Scheme").

IDFC Bank will, without any further act or deed, issue and allot to the Shareholders of IDFC whose name is recorded in the register of members of IDFC as on the Record Date, equity shares of IDFC Bank in the ratio of one (1) equity share having a face value of ₹ 10 each of IDFC Bank for every one (1) equity share having a face value of ₹ 10 each of IDFC, each equity share being fully paid-up.

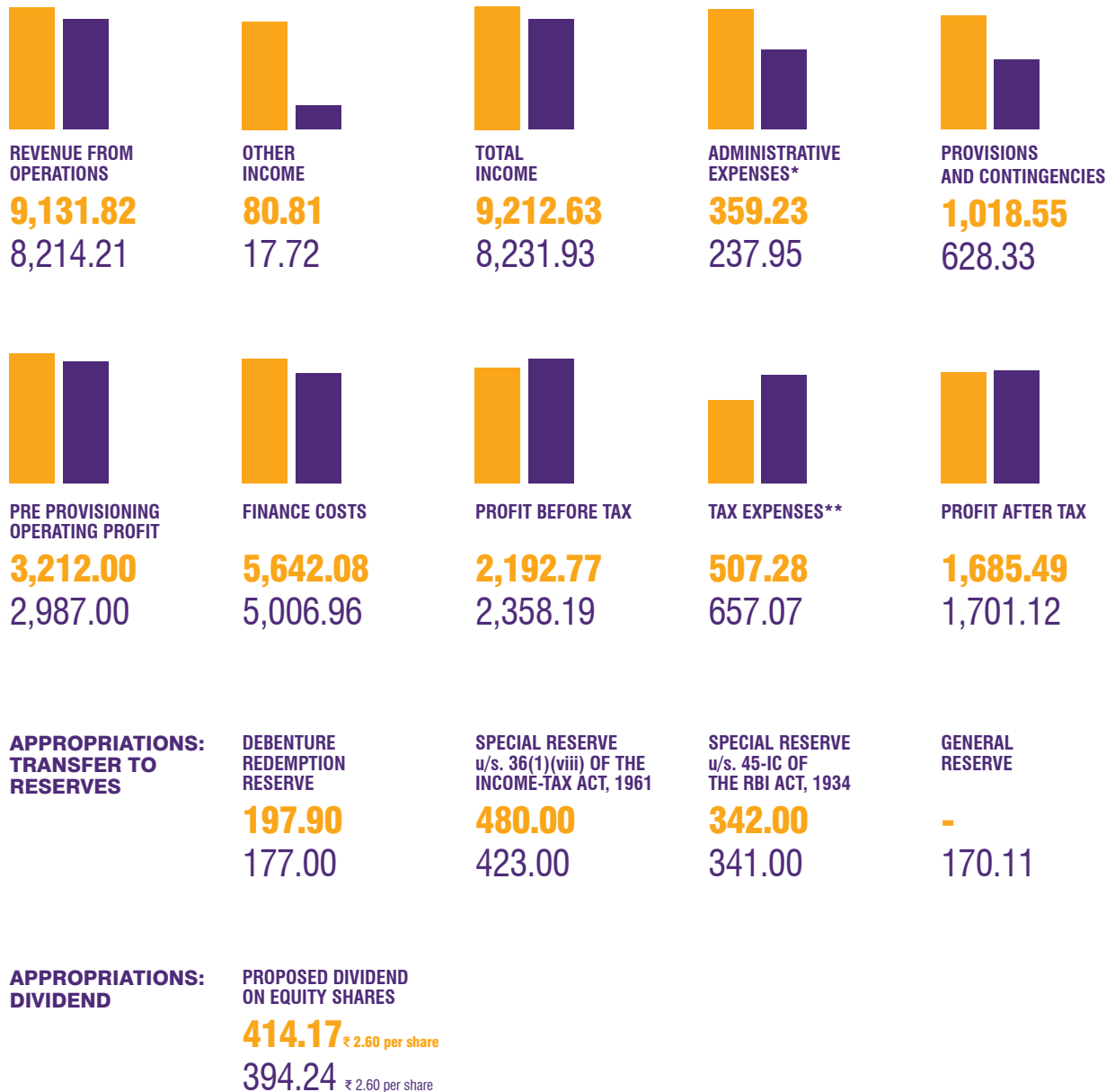
On completion of demerger, equity share capital of IDFC Bank will be held approximately 53% by IDFC Financial Holding Company Limited ("IDFC FHCL"), a 100% subsidiary of IDFC and approximately 47% by the Shareholders of IDFC (as on the Record Date).

The Board of Directors of the Company at its meeting held on October 30, 2014 approved the Demerger Scheme.

2014-15

STANDALONE FINANCIAL RESULTS

2015 2014
IN ₹ CR



* Administrative Expenses include employee benefits expense, other expenses, depreciation and amortisation expense. **Tax Expenses is net of deferred tax.

Your Directors are pleased to recommend a dividend of ₹2.60 per equity share of ₹10 each (i.e. 26%) for the year ended March 31, 2015.

The Shareholders of IDFC at the Court Convened Meeting held on April 9, 2015 unanimously approved the Demerger Scheme. The Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, has sanctioned the Demerger Scheme.

The Demerger Scheme will be effective *inter alia* upon receipt of final approval from the RBI for undertaking banking operations. After the Scheme becoming effective, the shares of IDFC Bank will be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

SUBSIDIARY COMPANIES

IDFC has nine direct subsidiary companies, as on date which are as follows:

- IDFC Financial Holding Company Limited
- IDFC Alternatives Limited
- IDFC Trustee Company Limited
- IDFC Projects Limited
- IDFC Finance Limited
- IDFC Securities Limited
- IDFC Asset Management Company Limited
- IDFC AMC Trustee Company Limited
- IDFC Foundation (a Company within the meaning of Section 8 of the Companies Act, 2013)

In addition,

- a.** IDFC Financial Holding Company Limited has a wholly owned subsidiary company namely IDFC Bank Limited.
- b.** IDFC Alternatives Limited has one wholly owned subsidiary company, namely IDFC Capital (Singapore) Pte. Limited.

- c.** IDFC Securities Limited has two wholly owned subsidiary companies namely IDFC Securities Singapore Pte. Limited and IDFC Capital (USA) Inc.
- d.** IDFC Asset Management Company Limited has one subsidiary, namely IDFC Investment Managers (Mauritius) Limited.
- e.** IDFC holds 49% stake in IDFC Infra Debt Fund Limited and the remaining 51% is held by IDFC Alternatives Limited and IDFC Finance Limited.

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

- 1.** On August 28, 2014, the entire equity stake in IDFC Primary Dealership Company Limited and IDFC Housing Finance Company Limited which was held by IDFC was transferred to IDFC Alternatives Limited, thereby making the said companies wholly owned subsidiaries of IDFC Alternatives Limited.

On September 26, 2014, the Scheme of Amalgamation under Sections 391 to 394 of Companies Act, 1956 was filed with the Hon'ble High Court of Bombay to amalgamate IDFC Project Equity Company Limited, IDFC Housing Finance Company Limited and IDFC Primary Dealership Company Limited (the wholly owned subsidiaries of IDFC Alternatives Limited) with IDFC Alternatives Limited. The Hon'ble High Court of Bombay approved the amalgamation of the above entities on January 30, 2015 and the merger became effective post filing of the court order with the Registrar of Companies on March 12, 2015, with appointed date October 1, 2014.

- 2.** On September 29, 2014, the entire equity stake held by IDFC in Galaxy Mercantiles Limited and Neopro Technologies Private Limited were sold.

- 3.** IDFC Bank Limited was incorporated as a wholly owned subsidiary of IDFC on October 21, 2014.

- 4.** IDFC Financial Holding Company Limited was incorporated as a wholly owned subsidiary of IDFC on November 7, 2014.

On December 26, 2014, the entire equity Stake of IDFC Bank Limited which was held by IDFC was transferred to IDFC Financial Holding Company Limited, thereby making IDFC Bank Limited wholly owned subsidiary of IDFC Financial Holding Company Limited.

- 5.** An application was filed with Hon'ble High Court of Bombay for merger of IDFC Investment Advisors Limited with IDFC Asset Management Company Limited on November 26, 2014. The Hon'ble High Court of Bombay approved the amalgamation of the above entities on April 18, 2015 and merger became effective post filing of the court order with the Registrar of Companies on June 23, 2015, with appointed date April 1, 2015.

- 6.** On December 12, 2014, an application for voluntary winding up of IDFC Fund of Funds Limited was filed with the concerned regulatory authority and the same was dissolved.

- 7.** IDFC Infra Debt Fund Limited was incorporated on March 7, 2014 as a wholly

owned subsidiary of IDFC Limited, an Infrastructure Finance Company ("IFC"). As per RBI guidelines prescribed for Infra Debt Fund ("IDFs"), Sponsor IFCs would be allowed to contribute a maximum up to 49% of the equity capital of IDF NBFCs. Accordingly, IDFC Infra Debt Fund Limited made a preferential allotment to two of the wholly owned subsidiaries of IDFC Limited namely IDFC Alternatives Limited and IDFC Finance Limited. Post preferential allotment, IDFC holds 49% stake in IDFC Infra Debt Fund Limited and the remaining 51% is held by IDFC Alternatives Limited and IDFC Finance Limited.

8. On March 26, 2015, the entire equity stake of IDFC Capital (Singapore) Pte. Limited was transferred from IDFC Securities Limited to IDFC Alternatives Limited.

The Board of Directors of IDFC reviews the affairs of its subsidiary companies regularly. In accordance with the provisions of Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statement including requisite details of all the subsidiaries. Further, a statement containing the salient features of the financial statement 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 subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited Financial Statements together with the Consolidated Financial Statement 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.

JOINT VENTURES

IDFC Foundation, a Section 8 Company within meaning of the Companies Act, 2013 and a wholly owned subsidiary of the Company has following three Joint Ventures:

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

ASSOCIATES

IDFC has two associate companies namely Feedback Infra Private Limited and Millennium City Expressways Private Limited.

During the year, the Company acquired 29.98% equity stake in Millennium City Expressways Private Limited.

In addition, IDFC Projects Limited, a wholly owned subsidiary of the Company, has one associate company namely Jetpur Somnath Tollways Private Limited.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

IDFC had 529 employees as on March 31, 2015 and 881 employees at the group level.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 is appended as **Annexure 2**.

SHARE CAPITAL UPDATE

During the year, the Company issued and allotted 3,494,615 equity shares of the Company to eligible employees of IDFC and its subsidiaries on exercise of options granted under Employee Stock Option Scheme 2007.

On September 16, 2014, the Company raised an amount of over ₹ 1,000 crore by allotment of 73,000,000 equity shares of the Company by way of Qualified Institutional Placement to Domestic Institutions. This issue of capital was required to achieve domestic company status and bring down the foreign shareholding in IDFC below 50% as required by RBI New Banking Guidelines.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

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 32,889,410 Options outstanding at the beginning of the current financial year, 1,209,752 Options lapsed on account of cancellations and 3,494,615 Options were exercised during the year.

Additionally, during the year, 3,300,000 Options were granted to eligible employees under the ESOS Scheme. Accordingly, 31,485,043 Options remain outstanding as of March 31, 2015.

All Options vest 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 on the Option.

Disclosures as required by Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are appended as

Annexure 3.

MANAGEMENT DISCUSSION & ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

In compliance with the provisions of Clause 49 of the Listing Agreement, separate detailed chapters on Management Discussion & Analysis, Report on Corporate Governance and Additional Shareholder Information forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

SEBI, through its circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 100 listed entities based on market capitalisation at BSE and NSE as on March 31 2012.

In compliance with the said circular, a separate report called BRR forms part of this Annual Report which is hosted on the Company's website: http://www.idfc.com/investor_relations/annual_report.htm

PUBLIC DEPOSITS

During FY15, 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 Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013 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 are not applicable, hence 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 had been modified

in light of the new provisions prescribed under the Companies Act, 2013 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

The particulars regarding foreign exchange expenditure and earnings are furnished at Item Nos. 29 & 30 in the Notes forming part of the Standalone Financial Statements.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not carry out any manufacturing activity, the particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Joseph Dominic Silva (DIN: 06388807) would retire by rotation at the ensuing AGM and being eligible, offers himself for reappointment.

During the year, Mr. Shardul Shroff, Independent Director ("ID") of the Company resigned from the Board with effect from June 3, 2014. The Board placed on record its appreciation for the valuable services rendered by him during his tenure as an ID of the Company.

Based on the recommendation of Nomination and Remuneration Committee ("NRC") of the Company and subject to the approval of the Members at the AGM, the Board of Directors of the Company at its meeting held on June 3, 2014, accorded its consent to appoint Mr. S. H. Khan (DIN: 00006170), Mr. Gautam Kaji (DIN: 02333127) and Mr. Donald Peck (DIN: 00140734) as IDs of the Company under the Companies Act, 2013, for a period of two (2) consecutive years to hold office from the conclusion of

IDFC Bank will, without any further act or deed, issue and allot to the Shareholders of IDFC whose name is recorded in the register of members of IDFC as on the Record Date, equity shares of IDFC Bank in the ratio of one (1) equity share having a face value of ₹ 10 each of IDFC Bank for every one (1) equity share having a face value of ₹ 10 each of IDFC, each equity share being fully paid-up.

the 17th AGM till the conclusion of the 19th AGM of the Company. The Shareholders of the Company at the 17th AGM held on July 29, 2014 approved the appointment of Mr. S. H. Khan, Mr. Gautam Kaji and Mr. Donald Peck as IDs of the Company.

Based on the recommendation of NRC, the Board of Directors at its meeting held on January 29, 2015 accorded its consent to appoint remaining IDs namely Mr. S. S Kohli (DIN: 00169907), Ms. Marianne Økland (DIN: 03581266) and Dr. Omkar Goswami (DIN: 00004258) as IDs of the Company under the Companies Act, 2013, for a period of three (3) consecutive years to hold office till the conclusion of the 20th AGM of the Company. The Shareholders of the Company approved the appointment of Mr. S. S. Kohli, Ms. Marianne Økland and Dr. Omkar Goswami as IDs of the Company by way of Postal Ballot on March 30, 2015.

Based on the recommendation of the NRC of the Company and subject to the approval of the Members at the AGM, the Board has, on June 30, 2015, appointed Mr. Vinod Rai (DIN: 01119922) as an Additional Director in the category of Independent Director of the Company. It is proposed to appoint him for a period of three (3) consecutive years at the ensuing AGM to hold office from the conclusion of the 18th AGM till the conclusion of the 21st AGM of the Company.

The Company has received a declaration from the aforesaid Directors, at the time of appointment and also on or before first meeting of the Board of Directors held in FY15, that they meet the criteria of independence specified under

sub-section (6) of Section 149 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules 2014, for holding the position of ID and that they shall abide by the "Code for Independent Directors" as per Schedule IV of the Companies Act, 2013.

The Board at its meeting held on June 3, 2014 identified the following officials as Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013:

1. Mr. Vikram Limaye – Managing Director & CEO
2. Mr. Sunil Kakar – Chief Financial Officer
3. Mr. Mahendra N. Shah – Company Secretary

BOARD AND AUDIT COMMITTEE

During the year six Board Meetings and four Audit Committee Meetings were held.

Audit Committee comprises of Mr. S. H. Khan—Chairman (DIN: 00006170), Ms. Marianne Økland (DIN: 03581266), Mr. Gautam Kaji (DIN: 02333127), Dr. Omkar Goswami (DIN: 00004258) and Ms. Snehlata Shrivastava (DIN: 06478173).

All the recommendations made by the Audit Committee during the year were accepted by the Board.

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

BOARD EVALUATION

The process indicating the manner in which formal annual evaluation of the Directors, Board and Board level committees are given in detail in the Corporate Governance Report, which forms part of this Annual Report.

NRC / REMUNERATION POLICY

The Company has a policy in place for identification of Independence, Qualifications and positive attributes of Directors. IDFC is in the process of developing a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and Other Employees.

The remuneration of the Executive Directors is recommended by NRC to the Board for their approval.

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. Vinod Rai (DIN: 01119922) as a Director in the category of Independent Director, of the Company, for a period of three (3) consecutive years to hold office from the conclusion of the 18th AGM till the conclusion of the 21st AGM of the Company,
- b. Approval to offer & issue non-convertible securities under Private Placement.

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 Section 139(1) read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and Section 141 of the Companies Act, 2013, and have given their consent to be appointed.

The approval of the Members is requested, by passing an Ordinary Resolution, to reappoint DHS as Statutory Auditors of the Company for a period of 1 (one) year, to hold office from the conclusion of this AGM up to the conclusion of the next AGM of the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed BNP & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for FY15. The Secretarial Audit Report is appended as **Annexure 4**.

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 audits of all the business units of the Company are regularly carried out to review the Internal Control Systems. The Audit Reports of Internal Auditors i.e. KPMG along with their recommendations and implementation

contained therein are regularly reviewed by the Audit Committee of the Board.

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

CONCURRENT AUDIT

KPMG has been appointed as Concurrent Auditors for FY16 to augment the existing internal control framework and ensure compliance to the policies and procedures as laid out by the Company. The scope of coverage includes the areas of Fixed Income Treasury, Proprietary Equity, Borrowing and Regulatory Compliance & Reporting.

RISK MANAGEMENT POLICY

IDFC has a robust risk management practice that enables it to book, manage and mitigate risks in its businesses. The Company has a comprehensive Enterprise Risk Management framework which has been adopted across all entities in the group and covers all three types of risks—credit, market and operational risks. The Board through its Risk Committee monitors and reviews Risk Management of the Company on a regular basis. Our Company has Board approved Group Operational Risk Management Policy which endeavours to lay down broad principles for operational risk management. The Risk Management Group is headed by the Chief Risk Officer. The details of Risk Management Framework are provided in Management Discussion and Analysis.

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 Companies Act, 2013.

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

The Hon'ble High Court of Judicature at Madras by an Order dated February 20, 2015 in Company Application No. 169, 170 and 171 of 2015 directed to convene the meeting of the equity Shareholders to approve the Demerger Scheme, dispensed with the convening and holding of the meeting of the secured creditors subject to fulfilling conditions and dispensed with the requirement of following the procedure under Section 101(2) of the Companies Act, 1956 by IDFC Limited. The Company has complied with the aforesaid Court Orders.

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

ANTI SEXUAL HARASSMENT POLICY

The Company at its Board Meeting held on April 30, 2015 adopted a policy on Anti Sexual Harassment. There were no instances of Sexual Harassment that 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 / interest / refund of applications which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend / interest / 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 ₹ 12,34,533 being unclaimed / unpaid dividend for the year 2006–07 and which remained unpaid and unclaimed for a period of 7 years has been transferred by the Company to the IEPF.

The Company updates the details of unclaimed / unpaid dividend / interest 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 the financial year 2007–08 will be transferred to IEPF during FY16.

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 Companies Act, 2013:

- That in the preparation of the annual financial statements for the year ended March 31, 2015, 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, 2015 and of the profit of the Company for the year ended on that date except having regard to the Part C of schedule II of the Companies Act, 2013, the Company has reviewed its policy of providing for depreciation on its tangible fixed assets on straight line basis. Previously straight line method was used for depreciating certain office equipment and leasehold improvements while other tangible fixed assets were depreciated using written down value method.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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 e-mail Ids are registered with the Company and / or the Depository Participants.

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

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in the prescribed Form No. MGT 9 is appended as **Annexure 5**.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Committee was constituted during the year comprising of Dr. Rajiv B. Lall, Chairman (DIN: 00131782); Mr. Vikram Limaye (DIN: 00488534) and Dr. Omkar Goswami (DIN: 00004258). The disclosure of contents of the Corporate Social Responsibility Policy of the Company as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as **Annexure 6**.

RELATED PARTY TRANSACTION

In all related party transactions that were entered into during the financial year, an

endeavour was made consistently that they were on an arm's length basis and were in the ordinary course of business. IDFC has always been committed to good corporate governance practices, including matters relating to Related Party Transactions.

Pursuant to the provisions of Companies Act, 2013 and Rules made there under & recent amendments in Clause 49 of the Listing Agreement and in the back-drop of the Company's philosophy on such matters, on the recommendation of the Audit Committee the Board approved "Policy on Related Party Transactions" at its meeting held on January 29, 2015. The said policy is also uploaded on the website of the Company.

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.

ACKNOWLEDGEMENTS

We are grateful to the Government of India, State Governments, National Highways Authority of India, RBI, SEBI, Stock Exchanges, Hon'ble Madras High Court, Hon'ble Bombay High Court, 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 at all levels of the Company.

For and on behalf of the Board

RAJIV B. LALL
Executive Chairman

Mumbai,
June 30, 2015

ANNEXURE 1**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 Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules 2014]

Part A Subsidiaries

SR NO.	NAME OF SUBSIDIARY COMPANIES	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES
1	IDFC Alternatives Limited	0.22	295.36	500.71	205.13
	(Previous Year)	0.05	58.83	85.51	26.63
2	IDFC AMC Trustee Company Limited	0.05	0.05	0.11	0.01
	(Previous Year)	0.05	0.04	0.10	0.01
3	IDFC Asset Management Company Limited	2.68	85.53	223.92	135.71
	(Previous Year)	2.68	78.03	212.50	131.79
4	IDFC Capital (Singapore) Pte. Ltd.*	246.22	(51.14)	195.40	0.32
	(Previous Year)	65.32	(57.88)	9.24	1.80
5	IDFC Capital (USA) Inc.*	4.62	1.12	6.04	0.30
	(Previous Year)	4.62	0.66	5.42	0.14
6	IDFC Finance Limited	21.00	14.51	35.53	0.02
	(Previous Year)	21.00	13.05	34.07	0.02
7	IDFC Foundation (unaudited)	13.00	3.42	82.97	66.55
	(Previous Year)	13.00	3.10	45.04	28.94
8	IDFC Fund of Funds Limited* [see note 4(vi) & (x)] #	-	-	-	-
	(Previous Year)	118.15	1.84	120.14	0.15
9	IDFC Investment Advisors Limited	10.00	26.23	39.06	2.83
	(Previous Year)	10.00	13.16	25.99	2.83
10	IDFC Investment Managers (Mauritius) Limited*	0.85	(0.55)	0.36	0.06
	(Previous Year)	0.26	(0.30)	0.04	0.08
11	IDFC Primary Dealership Company Limited [see note 4(iii)] #	-	-	-	-
	(Previous Year)	200.00	34.97	1,132.59	897.62
12	IDFC Project Equity Company Limited [see note 4(iii)] #	-	-	-	-
	(Previous Year)	0.05	9.91	34.86	24.90
13	IDFC Projects Limited	34.05	(53.07)	78.66	97.68
	(Previous Year)	34.05	(52.96)	43.04	61.95
14	IDFC Securities Limited	14.14	105.68	326.94	207.12
	(Previous Year)	14.14	242.46	398.88	142.28
15	IDFC Securites Singapore Pte. Ltd*	11.45	(7.08)	4.53	0.16
	(Previous Year)	3.73	(3.06)	1.05	0.38
16	IDFC Trustee Company Limited	0.05	3.28	3.34	0.01
	(Previous Year)	0.05	2.78	2.84	0.01

₹ IN CRORE

	INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	PROFIT AFTER TAX	PROPOSED DIVIDEND (%)	% OF SHAREHOLDING	
							PREFERENCE	EQUITY
	414.12	116.17	38.51	15.79	22.72	-	-	100%
	5.79	58.07	25.23	6.40	18.83	-	-	100%
	-	0.08	0.01	β	β	-	-	75%
	-	0.08	0.03	0.01	0.02	-	-	75%
	168.73	271.48	112.08	41.70	70.38	1950%	-	75%
	153.25	260.09	137.77	46.69	91.08	2500%	-	75%
	143.62	7.85	3.69	-	3.69	-	-	100%
	-	1.71	(11.11)	-	(11.11)	-	-	100%
	-	3.21	0.18	(0.05)	0.23	-	-	100%
	-	4.51	0.25	0.08	0.17	-	-	100%
	35.00	1.96	1.92	0.45	1.47	-	-	100%
	33.46	2.41	2.37	0.10	2.27	-	-	100%
	32.23	10.25	0.32	-	0.32	-	-	100%
	32.73	14.08	0.78	-	0.78	-	-	100%
	-	-	14.26	-	14.26	-	-	-
	113.64	0.45	0.03	-	0.03	-	-	100%
	31.73	26.27	19.73	6.67	13.07	-	-	75%
	19.70	19.63	12.50	3.75	8.75	-	-	75%
	-	-	(0.27)	-	(0.27)	-	-	75%
	-	-	(0.77)	-	(0.77)	-	-	75%
	-	32.01	15.00	5.13	9.87	-	-	-
	1,116.44	93.88	38.71	13.18	25.53	-	-	100%
	-	18.76	10.41	3.41	7.00	-	-	-
	-	51.15	11.29	3.49	7.80	-	-	100%
	73.58	-	(0.11)	-	(0.11)	-	-	100%
	42.64	-	(0.21)	-	(0.21)	-	-	100%
	244.50	94.19	56.17	14.29	41.88	1050%	-	100%
	292.90	67.83	28.27	6.33	21.94	-	-	100%
	-	0.29	(4.25)	-	(4.25)	-	-	100%
	-	0.93	(2.56)	-	(2.56)	-	-	100%
	3.29	0.75	0.72	0.22	0.50	-	-	100%
	2.81	0.64	0.75	0.19	0.56	-	-	100%

Part A Subsidiaries (Contd.)

SR NO.	NAME OF SUBSIDIARY COMPANIES	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES
17	IDFC Housing Finance Company Limited [see note 4(iii)]	-	-	-	-
	(Previous Year)	12.00	(0.06)	11.95	0.01
18	IDFC Infra Debt Fund limited	310.00	4.43	314.45	0.02
	(Previous Year)	12.00	(0.09)	11.93	0.02
19	IDFC Financial Holding Company Limited	0.05	(2.53)	0.05	2.53
	(Previous Year)	NA	NA	NA	NA
20	IDFC Bank Limited	0.05	(2.58)	0.05	2.58
	(Previous Year)	NA	NA	NA	NA
21	IDFC Capital Limited [see note 4(x)] #	NA	NA	NA	NA
	(Previous Year)	-	-	-	-
22	IDFC Pension Fund Management Company Limited [see note 4(ix) & 4(x)] #	NA	NA	NA	NA
	(Previous Year)	-	-	-	-
23	IDFC Distribution Company Limited [see note 4(x)] #	NA	NA	NA	NA
	(Previous Year)	-	-	-	-
24	Neopro Technologies Private Limited [see note 3(d)] #	NA	NA	NA	NA
	(Previous Year)	0.47	73.43	279.73	205.83
25	Galaxy Mercantiles Limited [see note 3(e)] #	NA	NA	NA	NA
	(Previous Year)	74.02	45.27	305.78	186.49

Part B Associates and Joint Ventures

(Pursuant to Section 129(3) of the Companies Act, 2013 related to Associates Companies and Joint Ventures)

SR. NO.	NAME OF ASSOCIATE COMPANIES	JETPUR SOMNATH TOLLWAYS PRIVATE LIMITED (ASSOCIATE OF IDFC PROJECTS LIMITED)	FEEDBACK INFRA PRIVATE LIMITED	MILLENNIUM CITY EXPRESSWAY PRIVATE LIMITED (W.E.F MAY 19, 2014)
1	Latest audited Balance Sheet Date	March 31, 2015	March 31, 2015	March 31, 2015
2	Shares of associate held by the Company at March 31, 2015			
	Number of Equity Shares	42,637,400	4,026,689	176,608,965
	Number of Preference Shares	30,940,000	-	-
	Amount of investment in associate companies (₹ in crore)	73.58	20.09	176.61
	Extend of Holding (%)	26.00%	24.61%	29.98%
3	Description of how there is significant influence	Note 1	Note 1	Note 1
4	Reason why the associate is not consolidated	N.A.	N.A.	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	73.45	19.05	152.36
6	Profit / (Loss) for the year ended March 31, 2015 (₹ in crore)	(0.53)	9.50	(81.14)
	i. Considered in Consolidation	(0.14)	2.34	(24.34)
	ii. Not Considered in Consolidation	(0.39)	7.16	(56.80)

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, Rail Infrastructure Development Company (Karnataka) Limited and Narayana Hrudayalaya Surgical Hospital Private Limited are Joint Ventures of IDFC Foundation (a Company within the meaning of Section 8 of the Companies Act, 2013), hence the details thereof are not reproduced here.

Note 3: The financials of Millennium City Expressways Private Limited are unaudited.

₹ IN CRORE

	INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	PROFIT AFTER TAX	PROPOSED DIVIDEND (%)	% OF SHAREHOLDING	
							PREFERENCES	EQUITY
	-	-	0.48	0.15	0.33	-	-	-
	-	-	(0.09)	(0.03)	(0.06)	-	-	100%
	311.20	β	5.74	1.22	4.52	-	-	100%
	-	-	(0.10)	0.01	(0.09)	-	-	100%
	0.05	-	(2.53)	-	(2.53)	-	-	100%
	NA	NA	NA	NA	NA	NA	NA	NA
	-	-	(2.59)	β	(2.59)	-	-	100%
	NA	NA	NA	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA	NA	NA	NA
	-	9.86	2.31	0.86	1.45	-	-	-
	NA	NA	NA	NA	NA	NA	NA	NA
	-	-	1.42	0.29	1.13	-	-	-
	NA	NA	NA	NA	NA	NA	NA	NA
	-	-	0.09	0.02	0.07	-	-	-
	NA	NA	NA	NA	NA	NA	NA	NA
	-	56.98	(1.53)	1.90	(3.43)	-	100%	80%
	NA	NA	NA	NA	NA	NA	NA	NA
	0.14	51.25	(0.86)	(0.11)	(0.75)	-	100%	100%

Notes :

- 1 IDFC Bank Limited and IDFC Financial Holding Company Limited are yet to commence operations.
- 2 During the year, IDFC Project Equity Company Limited, IDFC Housing Finance Company Limited and IDFC Primary Dealership Company Limited were amalgamated with IDFC Alternatives Limited.
- 3 During the year, Neopro Technologies Private Limited and Galaxy Mercantiles Limited ceased to be subsidiaries of the Company.
- 4 During the year, IDFC Fund of Funds Limited had applied for voluntary winding up on December 12, 2014 and on February 20, 2015 the name was struck off from Guernsey Registry.
- 5 IDFC Bank Limited was incorporated on October 21, 2014 as a direct subsidiary of IDFC Limited. The shares of IDFC Bank Limited were transferred by IDFC Limited to IDFC Financial Holding Company Limited on December 26, 2014. Consequently, IDFC Bank Limited is an indirect subsidiary of IDFC Limited.
- 6 IDFC Infra Debt Fund Limited was incorporated on March 7, 2014 as a wholly owned subsidiary of IDFC Limited. IDFC Infra Debt Fund Limited made a preferential allotment to two of the wholly owned subsidiaries of IDFC Limited namely IDFC Alternatives Limited and IDFC Finance Limited. Post preferential allotment, IDFC holds 49% stake in IDFC Infra Debt Fund Limited and the remaining 51% is held by IDFC Alternatives Limited and IDFC Finance Limited.

*Exchange Rate:

Closing Rate: 1 USD = ₹ 62.59

Average Rate: 1 USD = ₹ 61.22

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

#Notes forming part of the Consolidated Financial Statements

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

RAJIV B. LALL
Executive Chairman

VIKRAM LIMAYE
Managing Director & CEO

SUNIL KAKAR
Chief Financial Officer

MAHENDRA N. SHAH
Company Secretary

Mumbai | June 30, 2015

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 : 16 X Mr. Vikram Limaye : 13 X
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Dr. Rajiv B. Lall (Executive Chairman) : 8% Mr. Vikram Limaye (MD & CEO) : 7.57% Mr. Sunil Kakar (CFO) : 8% Mr. Mahendra N. Shah (CS) : 8%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in FY15 was increased by 9.85%.
IV	The number of permanent employees on the rolls of the Company	529 as on March 31, 2015
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 bench mark study in the industry, regulatory provisions. Variable compensation is an integral part of the total pay package and is based on an individual performance rating and business unit performance.
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 bench mark study is also factored. Considering the performance of the KMPs in the year, they were appropriately compensated.
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, 2015 was ₹ 26,591.48 crore as compared to ₹ 18,665.48 as at March 31, 2014. The earning per share of the Company was ₹ 10.83 as at March 31, 2015 which was ₹ 11.22 as at March 31, 2014. The stock price of the Company as at March 31, 2015 has increased by 21.86 % to ₹ 166.95 over the last public offering, i.e.QIP in September 2014 at the price of ₹ 137.00 per share.
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 is in line with bench mark 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 is in line with the bench mark study and performance of the Company.
X	The key parameters for any variable component of remuneration availed by the directors	Depends on the performance parameters set for key managerial personnel as approved by the Compensation Committee of the Board.
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

DISCLOSURE AS PER SEBI GUIDELINES

SR. NO.	PARTICULARS	FY15
1	Options outstanding as at the beginning of the year	32,889,410
2	Options granted during the year	3,300,000
3	Pricing Formula	Options may be granted at a price not less than the face value per share. Options have been granted in the range of ₹ 135.10 to ₹ 163.95
4	Options vested during the year	7,399,699
5	Options exercised during the year	3,494,615
6	Total numbers of shares arising as a result of exercise of Options	3,494,615
7	Options lapsed / cancelled	1,209,752
8	Variation in terms of Options	None
9	Money realised by exercise of Options (₹ in crore)	32.40
10	Total number of Options in force	31,485,043
11	Diluted Earnings Per Share pursuant to issue of shares on exercise of Options calculated in accordance with AS 20 'Earnings Per Share' (₹)	10.77

PRO FORMA ADJUSTED NET INCOME AND EARNINGS PER SHARE

12	Net Income as Reported (₹ in crore)	1,685.49
	Add: Intrinsic Value Compensation Cost (₹ in crore)	–
	Less: Fair Value Compensation Cost (₹ in crore)	7.94
	Adjusted Pro forma Net Income (₹ in crore)	1,677.55
	Earning Per Share: Basic	
	As Reported (₹)	10.83
	Adjusted Pro forma (₹)	10.78
	Earning Per Share: Diluted	
	As Reported (₹)	10.77
	Adjusted Pro forma (₹)	10.72
13	Weighted average exercise price of Options granted during the year whose:	
a)	exercise price equals market price (₹)	144.96
b)	exercise price is greater than market price	N.A.
c)	exercise price is less than market price	N.A.
14	Weighted average fair value of Options granted during the year whose	
a)	exercise price equals market price (₹)	49.53
b)	exercise price is greater than market price	NA
c)	exercise price is less than market price	NA

The fair value of the Options granted has been estimated using the Black-Scholes option pricing Model. Each tranche of vesting have been considered as a separate grant for the purpose of valuation. The assumptions used in the estimation of the same have been detailed below:

Variables	Weighted average values for all grants made during the year
a) Stock Price (₹)	144.96
b) Volatility	40.60%
c) Risk-free Rate	8.64%
d) Exercise Price (₹)	144.96
e) Time to Maturity (Years)	3.22
f) Dividend yield	1.80%
g) Weighted Average Value (₹)	49.53

Stock Price

The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

Volatility

The daily volatility of the stock prices on NSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

Risk-free rate of return

The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options based on the zero-coupon yield curve for Government Securities.

Exercise Price

Exercise Price of each specific grant has been considered.

Time to Maturity

Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

Expected dividend yield

Expected dividend yield has been calculated based on the dividend declared prior to the date of grant. The dividend yield has been derived by dividing the dividend per share for the year by the market price per share on the date of grant.

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2015

[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 March 31, 2015. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit; we hereby report that in our opinion, the Company has, during the audit period 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 March 31, 2015 according to the provisions of:

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

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. 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 Listing Agreements

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 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;
- iv. Secretarial Standards issued by The Institute of Company Secretaries of India (since not approved by the Central Government).

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.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were 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:

- i. Issued and allotted Secured Redeemable Non-Convertible Debentures (NCD's) on Private Placement as listed in the table.
- ii. Received an in-principle approval to set up a new Bank through a Non-Operative Financial Holding Company

from the Reserve Bank of India vide their letter ref: DBOD. No. PSBD. (IDFC) 16974/16.13.200/2013-14 dated April 9, 2014.

- iii. Incorporated a wholly owned subsidiary company in the name of IDFC Bank Limited on October 21, 2014.
- iv. Incorporated a wholly owned subsidiary company in the name of IDFC Financial Holding Company Limited on November 7, 2014 and transferred the entire holding of the Company in IDFC Bank Limited to the said IDFC Financial Holding Company Limited. Accordingly, IDFC Bank Limited became the wholly

owned subsidiary of IDFC Financial Holding Company Limited on December 26, 2014 as stipulated in the in-principle approval granted by the Reserve Bank of India to set up a new Bank.

FOR BNP & ASSOCIATES

Company Secretaries

KEYOOR BAKSHI

Partner

Mumbai, April 30, 2015

FCS 1844 / CP No.2720

Issued and allotted Secured Redeemable NCDs on Private Placement

SR. NO.	NO. OF NCDs	FACE VALUE PER NCD (IN ₹)	TOTAL AMOUNT (₹ IN CRORE)
1	5,700	1,000,000	570
2	5,250	1,000,000	525
3	11,350	1,000,000	1,135
4	5,000	1,000,000	500
5	1,740	1,000,000	174
6	10,250	1,000,000	1,025
7	10,550	1,000,000	1,055
8	1,250	1,000,000	125
9	5,000	1,000,000	500
10	10,000	1,000,000	1000
11	5,000	1,000,000	500
12	5,500	1,000,000	550
13	10,200	1,000,000	1,020
14	20,000	1,000,000	2,000
15	13,250	1,000,000	1,325
16	8,000	1,000,000	800
17	7,800	1,000,000	780
18	1,500	1,000,000	150
19	2,800	1,000,000	280
20	3,000	1,000,000	300
21	8,000	1,000,000	800
TOTAL	151,140		15,114

FORM NO. MGT. 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 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
5. Address of the Registered office and contact details	KRM Tower, 8th Floor, No.1, Harrington Road, Chetpet, Chennai-600 031 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 OF THE COMPANY
1	Non-Banking Financial Company (IFC) registered with RBI	IDFC Limited holds a certificate of registration dated June 23, 2010 bearing reg. no. B-07-00718 issued by the Reserve Bank of India ("RBI") to carry on the activities of a Non-Banking Financial Company under Section 45 IA of RBI Act, 1934	100%

03 Particulars of Holding, Subsidiary and Associate Companies

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	IDFC Alternatives Limited	U67190MH2002PLC137798	Subsidiary	100%	2(87)
2	IDFC Capital (Singapore) Pte. Limited	Foreign Company	Subsidiary	100%	2(87)
3	IDFC Trustee Company Limited	U65990MH2002PLC137533	Subsidiary	100%	2(87)
4	IDFC Securities Limited	U99999MH1993PLC071865	Subsidiary	100%	2(87)
5	IDFC Securites Singapore Pte. Limited	Foreign Company	Subsidiary	100%	2(87)
6	IDFC Capital (USA) Inc.	Foreign Company	Subsidiary	100%	2(87)
7	IDFC Finance Limited	U45201DL2000PLC105292	Subsidiary	100%	2(87)
8	IDFC Asset Management Company Limited	U65993MH1999PLC123191	Subsidiary	75%	2(87)
9	IDFC Investment Advisors Limited	U74920MH2006PLC160937	Subsidiary	75%	2(87)
10	IDFC Investment Managers (Mauritius) Limited	Foreign Company	Subsidiary	75%	2(87)
11	IDFC AMC Trustee Company Limited	U69990MH1999PLC123190	Subsidiary	75%	2(87)
12	IDFC Projects Limited	U45203MH2007PLC176640	Subsidiary	100%	2(87)
13	IDFC Foundation	U93000DL2011NPL215231	Subsidiary	100%	2(87)
14	IDFC Infra Debt Fund Limited*	U67190MH2014PLC253944	Subsidiary	100%	2(87)
15	IDFC Financial Holding Company Limited	U65900TN2014PLC097942	Subsidiary	100%	2(87)
16	IDFC Bank Limited	U65110TN2014PLC097792	Subsidiary	100%	2(87)
17	Millennium City Expressways Private Limited	U45204DL2014PTC266306	Associate	29.98%	2(6)
18	Feedback Infra Private Limited	U74899DL1990PTC040630	Associate	24.61%	2(6)
19	Jetpur Somnath Tollways Private Limited	U74120MH2011PTC212162	Associate ¹	26%	2(6)
20	Delhi Integrated Multi-Modal Transit System Limited	U60232DL2006PLC148406	Joint Venture ²	50%	2(6)
21	Infrastructure Development Corporation (Karnataka) Limited	U45203KA2000PLC027382	Joint Venture ²	49.50%	2(6)
22	Uttarakhand Infrastructure Development Company Limited	U65993UR2002SGC027065	Joint Venture ²	49.90%	2(6)
23	Rail Infrastructure Development Company (Karnataka) Limited	U60100KA2000PLC028171	Joint Venture ²	49.93%	2(6)
24	Narayana Hrudayalaya Surgical Hospital Private Limited	U85100KA2010PTC055453	Joint Venture ²	26.00%	2(6)

* IDFC holds 49% stake and remaining 51% is held by IDFC Alternatives Limited and IDFC Finance Limited.

¹ Associate of IDFC Projects Limited.

² Joint Venture of IDFC Foundation (a Company within the meaning of Section 8 of the Companies Act, 2013)

04 Share holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

I Category-wise Share Holding

SR NO.	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A	Promoters	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1)	Indian									
a)	Individual / HUF									
b)	Central Govt.									
c)	State Govt.									
d)	Bodies Corp.									
e)	Banks / FI									
f)	Any Other									
	Sub-total (A) (1)									
2)	Foreign									
a)	NRIs-Individuals									
b)	Other-Individuals									
c)	Bodies Corp.									
d)	Banks / FI									
e)	Any Other									
	Sub-total (A) (2)									
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
B	Public Shareholding									
1)	Institutions									
a)	Mutual Funds / UTI	41,269,614	–	41,269,614	2.72	137,020,532	–	137,020,532	8.60	5.88
b)	Banks / FI	12,265,020	–	12,265,020	0.81	8,256,920	–	8,256,920	0.52	(0.29)
c)	Central Govt. / State Govt.	261,400,000	–	261,400,000	17.24	261,400,000	–	261,400,000	16.41	(0.83)
d)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
e)	Insurance Companies	120,540,229	–	120,540,229	7.95	65,344,459	–	65,344,459	4.10	(3.85)
f)	FIs	797,727,524	–	797,727,524	52.61	754,628,310	–	754,628,310	47.38	(5.23)
g)	Foreign venture capital funds	–	–	–	–	–	–	–	–	–
h)	Qualified Foreign Institutions	10,501,271	–	10,501,271	0.69	5,851,271	–	5,851,271	0.37	(0.32)
i)	Others	–	–	–	–	–	–	–	–	–
	Sub-total (B) (1)	1,243,703,658	–	1,243,703,658	82.02	1,232,501,492	–	1,232,501,492	77.38	(4.64)
2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	107,103,577	–	107,103,577	7.06	153,745,975	–	153,745,975	9.65	2.59
ii)	Overseas	–	–	–	–	–	–	–	–	–
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	106,797,040	21,397	106,818,437	7.05	124,713,557	30,157	124,743,714	7.83	0.78
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	40,840,789	–	40,840,789	2.69	60,916,685	–	60,916,685	3.83	1.14
c)	Others (specify)									
i)	Clearing members	9,700,774	–	9,700,774	0.64	4,378,198	–	4,378,198	0.28	(0.36)
ii)	Non Resident Indians	5,932,534	–	5,932,534	0.39	9,105,521	–	9,105,521	0.57	0.18
iii)	Trusts	2,186,482	–	2,186,482	0.15	7,389,281	–	7,389,281	0.46	0.31
	Sub-total (B) (2)	272,561,196	21,397	272,582,593	17.98	360,249,217	30,157	360,279,374	22.62	4.64
	Total Public Shareholding (B) = (B) (1) + (B)(2)	1,516,264,854	21,397	1,516,286,251	100.00	1,592,750,709	30,157	1,592,780,866	100.00	–
C	Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
	GRAND TOTAL (A+B+C)	1,516,264,854	21,397	1,516,286,251	100.00	1,592,750,709	30,157	1,592,780,866	100.00	0.00

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	
1.		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	17.24	–	–	261,400,000	16.41
2.	Sipadan Investments (Mauritius) Limited	151,145,989	9.97	–	–	151,145,989	9.49
3.	National Westminster Bank Plc as Depository of First State Asia Pacific Leaders Fund a sub fund of First State Investments ICVC	88,666,784	5.85	–	30,221,901	58,444,883	3.67
4.	Actis Hawk Limited	37,091,569	2.45	–	–	37,091,569	2.33
5.	Orbis Sicav - Asia Ex-Japan Equity Fund	32,222,151	2.13	–	–	32,222,151	2.02
6.	Platinum Asia Fund	25,816,150	1.70	1,101,000	–	26,917,150	1.69
7.	Life Insurance Corporation Of India	36,839,201	2.43	–	11,775,622	25,063,579	1.57
8.	Orbis Global Equity Fund Ltd	17,919,198	1.18	–	–	17,919,198	1.13
9.	CLSA Global Markets Pte. Ltd.	–	–	13,975,374	–	13,975,374	0.88
10.	JP Morgan Sicav Investment Company (Mauritius) Limited	22,176,856	1.46	–	8,488,745	13,688,111	0.86

Top ten Shareholders of the Company as on March 31, 2015 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 SHAREHOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR		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	2,348,984	0.15	–	1,150,000	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	–	–	100,000	100,000	–	–
4.	Mr. Mahendra N. Shah, CS	560,041	0.04	–	350,041	210,000	0.01

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	52,286.49	3,385.13	–	55,671.62
ii. Interest due but not paid	–	–	–	–
i. Interest accrued but not due	1,817.16	58.97	–	1,876.13
TOTAL (i+ii+iii)	54,103.65	3,444.10	–	57,547.75
Change in Indebtedness during the financial year				
Addition	13,850.84	–	–	13,850.84
Reduction	–	2,948.70	–	2,948.70
Net Change	13,850.84	(2,948.70)	–	10,902.14
Indebtedness at the end 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

06 Remuneration of Directors and Key Managerial Personnel

A Remuneration to Managing Director, Whole-time Directors and/or Manager:

IN ₹

SR NO.	PARTICULARS OF REMUNERATION	MD / WTD / MANAGER		TOTAL AMOUNT
		EXECUTIVE CHAIRMAN	MD & CEO	
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,940,392	37,789,224	76,729,616
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	3,692,033	39,600	3,731,633
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	1,402,771	1,280,766	2,683,537
	TOTAL (A)	44,035,196	39,109,590	83,144,786
	Ceiling as per the Act			Refer note

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

B Remuneration to other Directors

IN ₹

SR NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS									TOTAL AMOUNT
		DEEPAK PAREKH	S H KHAN	OMKAR GOSWAMI	SHARDUL SHROFF	GAUTAM KAJI	DONALD PECK	JOSEPH DOMINIC SILVA	MARIANNE ØKLAND	S S KOHLI	
1	Independent Directors										
	Fee for attending board committee meetings	–	950,000	600,000	250,000	700,000	450,000	–	650,000	800,000	4,400,000
	Commission	–	2,175,000	2,006,250	15,87,500	1,725,000	1,575,000	–	1,725,000	1,718,750	12,512,500
	Others, please specify	–	–	–	–	–	–	–	–	–	–
	TOTAL (1)	–	3,125,000	2,606,250	1,837,500	2,425,000	2,025,000	–	2,375,000	2,518,750	16,912,500
2	Other Non-Executive Directors										
	Fee for attending board committee meetings	–	–	–	–	–	–	150,000	–	–	150,000
	Commission	306,250	–	–	–	–	–	1,200,000	–	–	1,506,250
	Others, please specify	–	–	–	–	–	–	–	–	–	–
	TOTAL (2)	306,250	–	–	–	–	–	1,350,000	–	–	1,656,250
	TOTAL (B) = (1+2)	306,250	3,125,000	2,606,250	1,837,500	2,425,000	2,025,000	1,350,000	2,375,000	2,518,750	18,568,750
	Total Managerial Remuneration (A+B)										101,713,536
	Overall ceiling as per the Act										Refer Note

Note: In terms of the provisions of the Companies Act, 2013, 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

IN ₹

SR NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			
		MD & CEO	CS	CFO	TOTAL
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,789,224	18,691,905	27,589,160	84,070,289
b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	39,600	–	432,924	472,524
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	1,280,766	961,182	2,504,739	4,746,687
	TOTAL	39,109,590	19,653,087	30,526,823	89,289,500

07 Penalties / Punishment / Compounding of offences

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

CORPORATE SOCIAL RESPONSIBILITY

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

SR. NO.	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET) PROJECT OR PROGRAMS WISE
1.	Improvement in the learning environment in night schools - which cater to underprivileged students.	Cl.(ii) promoting education	Maharashtra-Mumbai	0.61
2.	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	Maharashtra-Mumbai	1.12
3.	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	Uttarakhand - Dehradun, Nainital, Haridwar, Udhampur Singh Nagar and Tehri.	1.32
4.	Promoting infrastructure development for livelihood support to achieve aspired quality of life for the people of Meghalaya through appropriate institutional mechanisms and programmes including a demonstration solar street lighting project in Mawlynnong Village.	Cl.(ii) livelihood enhancement projects; Cl. (iv) ensuring environmental sustainability; Cl. (x) rural development projects.	Meghalaya - Across State Meghalaya - East Khasi Hills	2.47
5.	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	Rajasthan - Alwar	3.15
6.	Development of a frameworks/ projects for re-development of slums, operations and maintenance of night shelters and use of mobile bio-toilets in slum clusters.	Cl.(xi) slum area development	Delhi	0.41
7.	Preparation of the India Rural Development Report identifying the reasons for regional differences in various parameters so as to enable appropriate policy responses; Preparation of the India Infrastructure Report on the theme of Health identifying the critical areas of need and policy responses to achieve universal healthcare for the population in the shortest possible time frame.	Cl. (i) promoting health care; Cl. (x) rural development projects.	All India coverage	1.53
8.	Other programmes being formulated for newer geographies - for which disbursements would be made in the coming years.	Various clauses of Schedule VII	All India coverage	35.89
TOTAL DIRECT EXPENSES				46.50
TOTAL INDIRECT EXPENSES				-
GRAND TOTAL				46.50

*IDFC Foundation, a not for profit company within the meaning of Section 8 of Companies Act, 2013 (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, sustainable urbanization, public transport systems, renewable energy, slum re-development and affordable housing.

We hereby certify that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

₹ IN CRORE

AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB HEADS:	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
(1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS		
(2) OVER HEADS		
0.61	0.61	
1.02	1.02	
1.07	1.07	
1.39	1.39	
0.89	0.89	
0.23	0.23	
1.40	1.40	
2.30	2.30	
8.91	8.91	
1.13	1.13	
10.04	10.04	

IMPLEMENTING AGENCY*
IDFC FOUNDATION

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

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

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

IDFC would continue to carry 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 Companies 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, would undertake the following CSR activities fall within the ambit of the activities listed in Scheduled VII of the Companies Act, 2013 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, sustainable urbanization, public transport systems, renewable energy, slum re-development and affordable housing.

Web-link to the CSR policy and projects or programs: www.idfc.com/foundation

2 The Composition of the CSR Committee:

Dr. Rajiv B. Lall – Executive Chairman
Dr. Omkar Goswami – Independent Director
Mr. Vikram Limaye – Managing Director & CEO

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

₹ 2,342 crore

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

₹ 47 crore

5 Details of CSR spent during the financial year:

₹ 47 crore

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

₹ 47 crore

b. Amount unspent:

NIL



management discussion and analysis

IDFC BANK LIMITED: A PROGRESS REPORT

On April 9, 2014, based on the New Banking Guidelines ("**Guidelines**") of the Reserve Bank of India ("**RBI**"), IDFC Limited ("**IDFC**" or "**the Company**") was granted an In-principle approval under Section 22 of the Banking Regulation Act, 1949, to set up a new private sector bank. Accordingly, a new company namely IDFC Bank Limited ("**IDFC Bank**") was incorporated on October 21, 2014.

Fulfilling specific terms of the RBI's In-principle approval and conditions set out in the Guidelines requires IDFC to (i) demerge all assets and liabilities of its lending businesses ("**Financing Undertaking**") to IDFC Bank (ii) realign its businesses to comply with the corporate structure requirements provided in paragraph 2(C) of the Guidelines and (iii) transfer the shares of its regulated financial services entities to IDFC Financial Holding Company Limited ("**IDFC FHCL**").

The Company has filed with the Hon'ble High Court of Judicature at Madras, a Scheme of Arrangement among IDFC Limited and IDFC Bank Limited and their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 ("**Demerger Scheme**").

In this regard, the following steps have been undertaken till date:

- On October 30, 2014, the Board of Directors of IDFC approved the Demerger Scheme.
- The Company has received an approval from RBI for the Demerger Scheme. 'No Objection' letter was also received from National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"), under clause 24(f) of the Listing Agreement.
- Meetings of the various classes of creditors were held in Chennai on January 19 & 20, 2015, where the creditors approved the Demerger Scheme with 96% majority.
- Given that the Company's registered office is in Chennai, an application was made to Hon'ble High Court of Judicature at Madras for directions to hold meetings of members of the Company, dispensation of meeting of creditors and seek their approval regarding the Demerger Scheme.
- The Court Convened Meeting of the equity Shareholders of IDFC was convened on April 9, 2015, in which 100% of the

Shareholders present at the meeting approved the Demerger Scheme.

The Hon'ble High Court of Judicature at Madras, vide it's Order dated June 25, 2015, has sanctioned the Demerger Scheme.

The contours of the Demerger Scheme are:

- i. IDFC Bank will issue and allot to the Shareholders of IDFC whose name is recorded in the register of members of IDFC on the Record Date, equity shares of IDFC Bank in the ratio of one (1) equity share having a face value of ₹ 10 each of IDFC Bank for every one (1) equity share having a face value of ₹ 10 each of IDFC, each equity share being fully paid-up — as a consideration for the demerger of the financing undertaking of the Company into the Bank. This is the Share Entitlement Ratio.
- ii. The Shareholders of IDFC will continue to hold their shares in the Company.
- iii. On completion of demerger, as on the Record Date, approximately 53% equity share capital of IDFC Bank will be held by IDFC FHCL, a 100% subsidiary of the Company; and remaining 47% by the Shareholders of IDFC.

iv. On receipt of the final approval from the RBI for undertaking banking operations and subject to requisite regulatory approvals from the Stock Exchanges, the Securities and Exchange Board of India and the RBI, the Demerger Scheme will become effective. Thereafter, the shares of IDFC Bank will be listed on NSE and BSE.

- In the meanwhile, considerable ground-work has been done so that IDFC Bank is up and running as soon as all regulatory and legal approvals are received. All key people to fill senior and mid-level management positions have been identified, allocated and, where needed, hired. The business plans have been prepared where necessary. The IT infrastructure to support core and extended banking systems has been selected and ordered. The various business verticals have been decided upon and adequately manned. The regulatory compliance regime has been put in place. Key corporate customers have been identified. Locations of the bank's branches have been finalised—both in the metropolitan cities and in the rural areas.

It is proposed to commence the banking operations by October 2015 if all regulatory approvals are obtained.

THE ECONOMY IN FY15

Relative to the last few years, FY15 has been better. For one, there was a clear mandate for political stability, with the National Democratic Alliance winning 336 seats of the 545 in the Lok Sabha—and the Bharatiya Janata Party (BJP) alone securing an outright majority of 282 seats—something that occurred for the first time since December 1984. For another, India is seeing a slow but clearly perceivable uptick in growth. **Table 1** gives the growth of real Gross Value Added ("GVA"), the newly calculated measure of national income prepared by the Central Statistical Organisation ("CSO") of the Government of India.

The data suggests that growth has been gradually increasing from the second quarter of FY15. Assuming that these numbers are correct, the country should achieve 7.5% growth of real GVA (at constant 2011-12 prices) for FY15—which represents a 90 basis

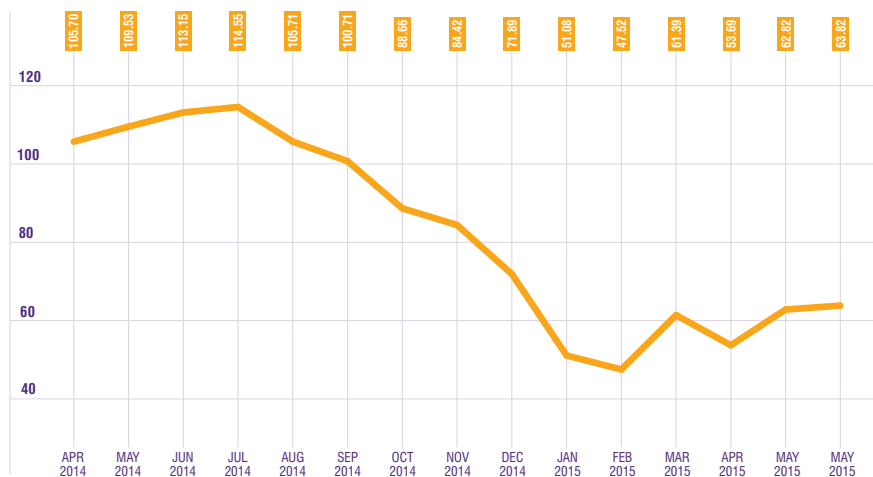
01 Percentage growth of real GVA

	APRIL-JUNE (Q1)	JULY-SEPTEMBER (Q2)	OCTOBER-DECEMBER (Q3)	FULL YEAR (ESTIMATE)
FY14	7.2	7.5	6.6	6.6
FY15	7.0	7.8	7.5	7.5

CHART A

CRUDE OIL PRICES, BRENT SPOT, US\$ PER BARREL

IN PERCENTAGE



points ("bps") increase in the growth rate versus the previous year. That is a good sign. Moreover, the International Monetary Fund ("IMF"), a conservative establishment in the best of times, has estimated that India will grow at 7.5% in FY16 [IMF, World Economic Outlook, April 2015, Table 2.3, p.55]. If this were true, India will not only grow faster than the average for 'emerging and developing' Asian countries, but also at a rate greater than that of China's.

There have been other positives as well. The current account deficit was at 1.7% of GDP, which was far better than 4.7% in FY12. Indeed, it has narrowed further to 1.6% of GDP; and, according to the IMF, is estimated at 1.3% for FY16.

Part of the reason for reduction in India's current account deficit is the sharp fall in crude oil prices. **Chart A** plots the price of European Brent from April 1, 2014. From a peak of US\$ 113 per barrel on June 16, 2014, the price fell to a trough of US\$ 46 on January 26, 2015. Although it has trended upwards since then, at around US\$ 65 per barrel it is still much lower

than a year earlier. This has not only reduced the crude oil import bill but has also played two other beneficiary roles.

First, it has eased the pressure on petroleum and fertiliser subsidies. For the central government, these have reduced by 5% and 3%, respectively, between the budgetary and revised estimates of FY15; and has given space to the Ministry of Finance to plan for halving the petroleum subsidy for FY16. Second, it has helped in bringing down consumer price inflation—from an average of 8.7% between 2012 and 2015 to under 5% in April 2015.

To an extent, RBI has responded to reduced inflation, lower oil prices and better management of the national exchequer. It cut policy rates by 75 bps from January 2015 to June 2015, and has eased liquidity with a reduction in Statutory Liquidity Ratio ("SLR") in three tranches of 50 bps each in June 2014, August 2014 and February 2015.

There are, however, some concerns. Unseasonal rains in February and March 2015 badly affected the winter (rabi) crop; and

BOX A

IDFC'S CONSOLIDATED FINANCIAL PERFORMANCE, FY15

9%₹4,064 CRORE
OPERATING INCOME**59%**₹343 CRORE
TREASURY INCOME**24.3%****CAPITAL ADEQUACY RATIO²****32%**₹1,323 CRORE
NON-INTEREST INCOME**61%**₹1,013 CRORE
PROVISIONS¹**7.8%****NET RESTRUCTURED STANDARD ASSETS²****5%**₹3,360 CRORE
PRE-PROVISIONING OPERATING PROFITS**16%**₹87,068 CRORE
BALANCE SHEET**0.7%****GROSS NON-PERFORMING LOANS (NPL)²****0.2%****NET NPL****10.3%**REDUCED BY 1.9 PERCENTAGE POINTS
RETURN ON EQUITY²**5%**₹1,707 CRORE
PROFIT AFTER TAX (PAT)**8%**₹2,346 CRORE
PROFIT BEFORE TAX**2.1%**REDUCED BY 40 BPS
RETURN ON ASSETS²¹ IDFC's provisioning norms significantly exceed those that are prescribed by the RBI. ² As on March 31, 2015

meteorological department's prediction of a poor monsoon could dampen optimism regarding the economy. Second, at 9.5%, credit growth remains very weak; indeed it is at its lowest in the last 18 years. Third, despite clear statements of intent and a significant increase in the central government's budgetary outlays in favour of infrastructure, there is limited development on this front. Consequently, institutions such as IDFC, whose raison d'être has been to offer attractively structured long term funds to finance India's infrastructure development, have not only found it hard to build new business, but have also had to make larger provisions for financially stressed assets.

The Company believes that the tide is turning. Equally, the path will be slow. Though

FY16 ought to be better than FY15, it will still take a few more quarters for infrastructure projects to clamber out of the trenches. Thus, IDFC will have to continue taking a careful view of its businesses; choose its projects and customers very judiciously; and keep an eye on doing all that is needed to maintain Shareholder value while simultaneously providing finance for infrastructure.

IDFC'S PERFORMANCE

In a difficult year, IDFC has performed quite creditably. **Box A** gives the key metrics.

IDFC comprises a portfolio of businesses. Though each individual business vertical has its own financial targets and deliverables, these work together to position IDFC as an

end-to-end solutions provider for infrastructure finance in India. The strategic business units ("SBUs") are organised according to four platforms: (i) Corporate Finance, (ii) Investment Banking and Broking, (iii) Alternative Asset Management and (iv) Public Markets Asset Management. Policy advisory, capacity building and public-private partnership ("PPP") advisory services are delivered through the IDFC Foundation.

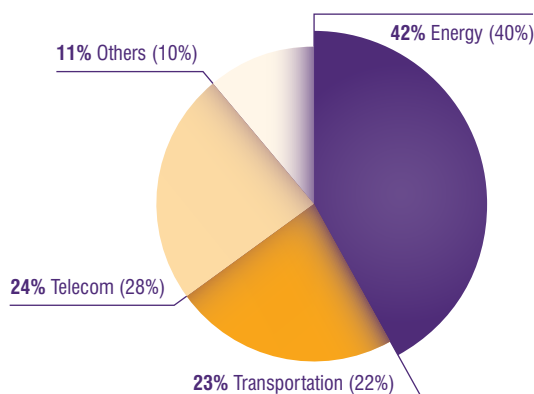
CORPORATE FINANCE

This SBU comprises project finance and fixed income and treasury. Its performance for FY15 is given in **Box B**.

CHART B

OUTSTANDING LOAN BOOK PROFILE, MARCH 31, 2015

Figures in the bracket are as on March 31, 2014



PROJECT FINANCE

This is the core of IDFC's business. Project finance evaluates infrastructure projects of varying complexities and offers alternative financing structures using a portfolio of debt, quasi-equity and equity instruments. This business has met the funding requirements of many major private sector infrastructure projects across India. The key sectors addressed are energy, transportation and telecom, plus a few others.

As mentioned earlier, though the economy as a whole did better than the two earlier years, FY15 saw no growth in infrastructure investments. In such a milieu, there was little or no appetite for risk taking across long gestation projects. Consequently, the project finance business remained muted.

- For FY15, gross approvals were down by 7% over the previous year, to ₹ 23,930 crore. Cumulative outstanding approvals stood at ₹ 75,573 crore as on March 31, 2015, which was 3% lower than a year earlier.
- Gross disbursements reduced by 15% to ₹ 13,830 crore.
- Despite lower disbursements and a tight average loan spread of 2.6%, the net interest income of IDFC's loan book decreased by 8% to ₹ 2,291 crore.
- Other loan related fees decreased by 41% to ₹ 68 crore.

- On March 31, 2015, the ratio of total provisions to outstanding loans was 4.5% compared to 2.4% a year earlier.

As on March 31, 2015, IDFC's gross loan book (i.e. before provisioning) stood at ₹ 54,745 crore. Net of cumulative provisions amounting to ₹ 2,319 crore, the net loan book was ₹ 52,427 crore. Loans were directed to three broad sectors: energy, telecom and transport plus others. **Chart B** shows the distribution of the loan book on March 31, 2015.

FIXED INCOME AND TREASURY

This business focuses on the fixed income market and comprises: (i) the treasury business, which relates to the management of liquidity, investment and trading in debt instruments; and (ii) the debt capital markets business, which advises and helps clients regarding raising debt funds from the market. **Chart C** indicates the treasury book mix as on March 31, 2015.

- The treasury book as on March 31, 2015 was ₹ 27,651 crore—a 201% growth over ₹ 9,181 crore a year earlier. The Treasury Book was increased with a view to building the SLR book for IDFC Bank.
- Net interest income from treasury operations was 59% higher at ₹ 343 crore.

BOX B

PERFORMANCE OF CORPORATE FINANCE, FY15

➤ **₹3,569 crore**
OPERATING INCOME

➤ **₹2,588 crore**
NET INTEREST INCOME

➤ **₹891 crore**
NON-INTEREST INCOME

In addition, the SBU earned 'other income' amounting to ₹ 90 crore

➤ **₹1,019 crore**
PROVISIONS FOR THE YEAR

➤ **₹3,212 crore**
PRE-PROVISIONING
OPERATING PROFITS

BOX C

PERFORMANCE OF INVESTMENT BANKING AND BROKING, FY15

➤ **₹80 crore**
FEE-BASED INCOME

BOX D**PERFORMANCE OF ALTERNATIVE ASSET MANAGEMENT, FY15****₹13,574 crore****ASSETS UNDER MANAGEMENT**

As on March 31, 2015. This is split between: (i) private equity, where the AUM was ₹ 3,654 crore, (ii) infrastructure equity with ₹ 9,171 crore, and (iii) real estate with ₹ 749 crore.

₹33 crore**PAT****₹160 crore****OPERATING INCOME**

Relative to this SBU for FY15, it comprises ₹ 147 crore from asset management fees and principal gains, and ₹ 13 crore in the form of net interest income.

₹53 crore**OPERATING PROFITS**

The same for PBT

BOX E**PERFORMANCE OF PUBLIC MARKETS ASSET MANAGEMENT, FY15****₹48,622 crore****AVERAGE AUM FOR THE YEAR**

This was 17% higher than the previous year. This AUM was split between debt and equity schemes in the ratio of 73:27

₹306 crore**OPERATING INCOME**

Comprised mainly of asset management fees

₹132 crore**OPERATING PROFITS (PBT)****₹62 crore****PAT****02 IDFC's Consolidated Balance Sheet****₹ IN CRORE**

PARTICULARS	MARCH 31, 2015	MARCH 31, 2014	% GROWTH
Shareholders' Funds	17,275	15,040	15%
Borrowings	66,252	56,565	17%
Current Liabilities	3,542	3,558	0%
TOTAL LIABILITIES	87,068	75,163	16%
Gross Loans	54,746	59,830	-8%
Less: Provisions	2,319	1,284	81%
Net Loans	52,427	58,546	-10%
Treasury ¹	27,651	9,181	201%
Equity ^{1,2}	3,141	3,227	-3%
Other Assets	3,849	4,209	-9%
TOTAL ASSETS	87,068	75,163	16%

Notes: ¹Net of provisions. ²Goodwill of subsidiaries on account of consolidation as on March 31, 2015: ₹957 crore.

- Trading profits were 94% higher at ₹ 159 crore.
- IDFC also earned fixed income and treasury fees of ₹ 20 crore.

INVESTMENT BANKING AND BROKING

IDFC's Investment banking and broking business comprises advisory, capital raising services and institutional broking. These involve: private equity syndication, IPOs, QIPs, project advisory, M&A services, research-led investment ideas, demonstrated client servicing track record and execution skills.

Box C gives the data.

ALTERNATIVE ASSET MANAGEMENT

IDFC Alternatives Limited is involved in managing funds and making investments in private companies or projects across three asset classes:

- Private Equity, which provides growth equity capital to infrastructure developers with the objective of creating value through capital appreciation.
- Infrastructure Equity, which offers equity to brown field and operational core infrastructure projects to create value through regular yields and capital appreciation.
- Real Estate, which is a relatively recent business and focuses on residential real estate across top six cities in India.

IDFC Alternatives mobilises funds from large global and domestic institutional 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 managed by IDFC Alternatives, and (iii) IDFC's share of the 'carry' income generated from funds managed by it. **Box D** gives the data.

PUBLIC MARKETS ASSET MANAGEMENT

This is essentially IDFC's mutual funds 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 and channelling retail and corporate savings into India's debt and equity markets. **Box E** shows the performance of alternative asset management FY15.

CHART C

TREASURY BOOK MIX AS ON MARCH 31, 2015

Figures in the bracket are as on March 31, 2014

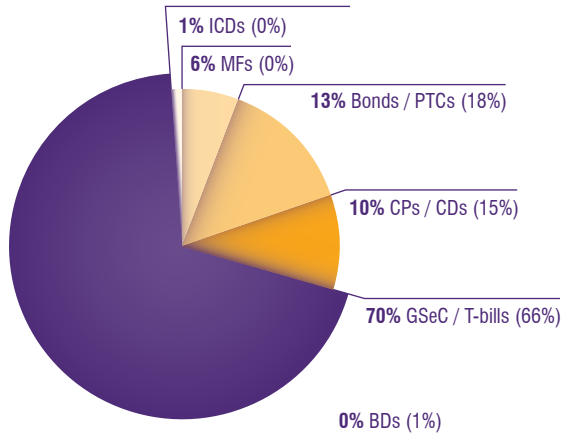
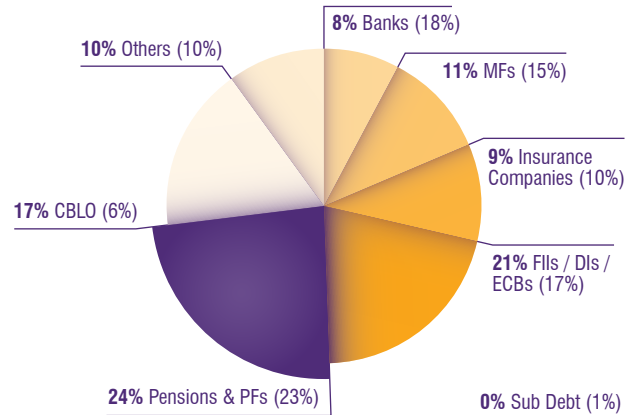


CHART D

BORROWINGS, LENDER-WISE, MARCH 31, 2015

Figures in the bracket are as on March 31, 2014



CONSOLIDATED FINANCIALS

Table 2 gives IDFC's consolidated balance sheet. **Chart D** shows the distribution of borrowings. **Table 3** gives the consolidated profit and loss account.

Provisioning needs some additional explanation. Over the last few years, given the difficult state of infrastructure projects across the country, IDFC's Management and Board of Directors continued with a prudent policy of making adequate level of provisions, which is reflected in the high level of overall provisions against advances. It is their belief that it would take some more quarters before one witnesses any tangible signs of improvement in the sector. The Management and the Board continue to review asset quality and would adjust the rate of provisioning as one sees improvement in the sector. It should be noted that IDFC uses provisioning norms which are more stringent than those prescribed by the RBI. Thus, the additional loan book related provision of ₹1,055 crore made in FY15 is significantly higher than the RBI norms. The ratio of IDFC's total provisions to its loan book of 4.5% as on March 31, 2015 reflects the Company's prudent approach to its loan exposures in view of the issues facing infrastructure projects.

Table 4 gives the key ratios for IDFC as a consolidated entity, while **Table 5** focuses on the Return on Assets ("RoA") tree.

RISK MANAGEMENT

IDFC has a robust risk management practice that enables it to book, manage and mitigate risks across its businesses. The Risk Management Group is headed by the Chief Risk Officer ("CRO"). The Company has a comprehensive Enterprise Risk Management ("ERM") framework which has been adopted across all entities in the group and covers all three types of risks—credit, market and operational risks.

- The Credit Risk group 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 Credit Risk group, each proposal is considered by a Management Decision Board, which consists of members of the senior management. Thereafter, the recommended cases are sent for final sanction to the Credit Committee or the delegated authority as per the delegation of powers as approved by the Board of Directors.

- The Market Risk group monitors risks on account of interest rate, liquidity, currency and equity price in the trading books. 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 of Directors on a periodic basis.
- The Operational Risk Management group is engaged in a continuous collection and assimilation of data related to operational risk. Such inputs are regularly analysed to highlight any critical risks and to engage with the concerned business units to effectively mitigate these. Operational risks at the enterprise wide level are overseen by a Group Operational Risk Committee.

The Portfolio Management group monitors the performance and compliance of covenants across all assets. The credit and portfolio groups frequently conduct comprehensive reviews of all project assets and equity

investments of the Company. The portfolio risk report is regularly presented to a Portfolio Review Committee consisting of senior management. The Committee reviews and discusses all assets with significant risks and also deliberates on the prevailing risks in the business environment. In addition, re-rating of the entire portfolio is done on an annual basis and presented to the Risk Committee of the Board of Directors.

The CRO presents a risk review report to the Risk Committee on a quarterly basis. This encompasses all significant aspects of the risks in the Company, as well as the mitigating measures.

IDFC puts special emphasis on environment risk, which is evaluated by a dedicated environment risk group and incorporated in the assessment of each proposal. An Environment Risk Officer is specially engaged to assess and monitor environment risks of each project before and after the sanction of any loan.

The Company continues to be a signatory to global initiatives on environment, social and governance ("ESG") issues such as the Carbon Disclosure Project (www.cdproject.net), the United Nations Global Compact (www.unglobalcompact.org) and the UN-sponsored Principles for Responsible Investment (www.unpri.org). IDFC is one of the stocks listed on NSE which is included in the S&P ESG India Index—whose objective is to give investors exposure to 50 of the best performing stocks in the Indian market as measured on ESG parameters.

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 (KPMG) present their report

03 IDFC's Consolidated Profit and Loss Account

₹ IN CRORE

PARTICULARS	FY15	FY14	% CHANGE
OPERATING INCOME	4,064	3,735	9%
NET INTEREST INCOME (NII)	2,633	2,704	-3%
Loans	2,291	2,488	-8%
Treasury	343	216	59%
NON-INTEREST INCOME	1,323	1,002	32%
Principal Gains & carry	556	318	75%
Asset Management Fees	440	390	13%
Investment Banking & Broking	80	77	3%
Fixed Income (Trading Profits & Fees)	179	102	75%
Loan Related Fees	68	115	-41%
Other Income	108	29	273%
OPERATING EXPENSES	704	544	29%
HR	388	288	35%
Non-HR	316	256	23%
PRE-PROV OP PROFIT (PPOP)	3,360	3,191	5%
Provisions	1,014	628	61%
Loans	1,055	594	77%
Investments, Others	-41	34	na
PBT	2,346	2,563	-8%
Tax, Minority Interest, Associated Companies PAT	639	760	-16%
PAT	1,707	1,803	-5%

on a quarterly basis to the Audit Committee of the Board.

HUMAN RESOURCES

As the Firm gathers momentum for the launch of the Bank, the most critical area of focus and delivery has been the hiring of quality employees. Beginning with the identification and hiring of the leadership team where the right person can materially impact and determine the success of the Bank the focus has been to bring on board the best talent from across the industry.

To ensure that we hire individuals who are not just technically competent but also culturally aligned we have built best in class resourcing practices - IDFC has worked with some of the best global search firms in identifying talent and we have used a comprehensive assessment methodology based on psychometric instruments and backed by trained and certified external assessors to help us shortlist and select our final hires.

A total of 650 offers have been made in the FY15 fiscal and of that 320 employees were onboarded by March 15.

To ensure that employees who join us share the same excitement, enthusiasm and vision that is in each one of us, we have created a unique ecosystem to deliver the best onboarding experience. It has been received exceptionally well and gives new employees an insight into what their journey with IDFC will be like.

We firmly believe that as we build the Bank it is essential that the new employees identify with the company's rich history, culture and history and familiarise themselves with the journey that the company has gone through and the course that is charted out ahead. With this vision in mind the team has designed a one of its kind Onboarding and Induction program. Employee feedback has been consistently top quartile.

By aligning these building blocks we aim to build an organization where employees are fully aligned with the business, institutional and cultural vision of the Firm. Getting these two aspects right is the bedrock and core of the

04 Key Ratios

PARTICULARS	FY15	FY14
Return on Assets (RoA)	2.1%	2.5%
Return on Equity (RoE)	10.3%	12.2%
EPS (₹) Diluted*	10.9	11.9
Leverage (Closing)	5.0 x	5.0 x
Book Value (₹)	108.5	99.2
Cost / Income	17.3%	14.6%
HR / Operating Income	9.6%	7.7%
Gross NPL (% of Loans)	0.7%	0.6%
Net NPL (%)	0.2%	0.4%
Net Restructured Standard Assets (% of Loans)	7.8%	4.3%
Total Loans Provision (% of Loans)	4.5%	2.4%
Average Spreads	1.8%	2.3%

* Based on weighted average number of shares outstanding

05 IDFC's RoA Tree (% of average assets)

PARTICULARS	FY15	FY14
OPERATING INCOME	4.9%	5.1%
NET INTEREST INCOME	3.2%	3.7%
NON-INTEREST INCOME	1.6%	1.4%
OPERATING EXPENSES	0.9%	0.7%
PRE-PROV OP PROFIT (PPOP)	4.1%	4.4%
Provisions	1.2%	0.9%
PBT	2.9%	3.5%
Tax, Minority Int, Asso co PAT	0.8%	1.0%
PAT	2.1%	2.5%

new Bank. We have embarked on an exciting journey and the energy is palpable across the Firm.

INFORMATION TECHNOLOGY (IT)

As IDFC transforms into a bank, the Technology team will play 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. Our efforts in this direction would possibly provide the much required differentiation for our Banking business in the years to come.

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 was also one of the recipients of the **EDGE** (Enterprises Driving Growth through Excellence in IT) Award this year.

IDFC FOUNDATION

During the year, IDFC Foundation initiated new CSR programmes, in addition to its existing research and programme support activities. The Foundation continued to provide oversight to the operations of its joint ventures with the Governments of Karnataka, Uttarakhand and New Delhi – namely, (i) Infrastructure Development Corporation (Karnataka) Limited (“**iDeCK**”); (ii) Uttarakhand Infrastructure Development Company Limited (“**U-DeC**”); and (iii) Delhi Integrated Multi-Modal Transit System Limited (“**DIMTS**”).

Keeping with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the operations and activities of IDFC Foundation were redefined during the year. Going forward, IDFC Foundation would be the CSR Programmes Implementing Agency of IDFC and its group companies, and would implement, either directly or through external partners, CSR activities as may be prescribed by the CSR committee/CSR Policy of IDFC Group. Further, the CSR activities undertaken by IDFC Foundation would initially be focused in the same geographies as the proposed rural banking activities of the upcoming IDFC Bank. The existing activities of the Foundation are also being aligned with Schedule VII of Companies Act, 2013

A brief description of the various initiatives undertaken by Foundation during the year is set out below.

RESEARCH

India Infrastructure Report (IIR)–2013 | 14

The annual India Infrastructure Report (**IIR**) 2013 | 14 on the theme “The Road to Universal Health Coverage” was released on September 24, 2014 in New Delhi at a public function. The report comprehensively covers key issues in the health sector and has received appreciation from a wide range of stakeholders across the country. Twelfth in the series since 2001, the report reviewed the challenges in ensuring availability, accessibility, affordability and good quality comprehensive healthcare to all citizens, and explores strategies to overcome the impediments along the road to universal health coverage. In this process, the Report discussed whether initiatives taken to reduce the burden of people’s health expenditure have yielded desirable results, how the strengths of the private sector in healthcare delivery can be leveraged, role played by the non-state entities in rural healthcare, imperatives of engaging with the community and the high impact of preventive care at low cost. The Report also highlights some of the emerging issues in the health sector such as rising burden of non-communicable diseases and mental health, human resource crisis in health sector, and health concerns of informal sector workers and steps required to attend to them within the framework of universal health coverage.

India Rural Development Report 2013 / 14

The IDFC Rural Development Network, led by IDFC Foundation with partner institutions the Centre for Economic and Social Studies (“**CESS**”), the Institute for Rural Management Anand (“**IRMA**”) and the Indira Gandhi Institute of Development Research (“**IGIDR**”), is engaged in the publication of the second issue of the India Rural Development Report

commissioned by the Ministry of Rural Development. The theme of India Rural Development Report 2013 | 14 is “Development Diversity across Regions” and explores the various facets of rural transformation in their regional contexts, which has critical implications for policy formulation. The Report draws upon the research by eminent scholars focusing on selected themes such as natural resource management, backwardness within regions, non-farm employment, commodity markets, mobility of backward classes and social movements. The Report continues to provide a comprehensive update on the status of rural development and is expected to be released shortly.

Economy-Energy-Environment Modelling Study

The detailed economy-energy-environment modelling study titled “Energy Efficiency and Fiscal Instruments for Climate Change Mitigation: A CGE Analysis of India” commissioned to a team of experts by IDFC Foundation was completed during the year. The study contributes towards finding ways and means to derive the double-benefit of carbon emissions abatement as well as GDP gains from a market-based policy instrument like carbon tax. The main message of this study is that market based instruments like carbon taxes could be a tool to achieve both economic and environmental objectives (higher GDP and lower emissions) provided revenues from the imposition of such taxes are used to incentivize firms to invest in energy efficient technologies.

Study to estimate Marginal Abatement Costs in Power, Cement and Steel sector

IDFC Foundation submitted the final report of the research programme sponsored by the Australian Centre for International Agricultural

Research (“**ACIAR**”) to assess the potential of Greenhouse Gas (“**GHG**”) offsets in Indian Agriculture. As part of this programme, IDFC Foundation reviewed the international GHG policy settings and established broad estimates of marginal abatement costs, in order to assess the benefits that agricultural offsets could provide to energy and industry sectors in India. The results of the study were presented in a Workshop organized by ACIAR and National Council of Applied Economic Research (**NCAER**) in April 2015.

PROGRAMMES

PROGRAMME SUPPORT SERVICES

Strategic Support to Government of Meghalaya

Over the last three years, IDFC Foundation has been a strategic partner of the Meghalaya Basin Development Authority, Government of Meghalaya, for the Integrated Basin Development and Livelihood Promotion (“**IBDLP**”) Programme. IDFC Foundation has undertaken many initiatives across the various IBDLP missions, encompassing energy mission, improving market access, water mission, infrastructure development, enterprise promotion and knowledge management, horticulture mission and post harvest management, and also provided administrative and procurement support. The focus has been on building the delivery capacity of MBDA to meet the needs of citizens and in assisting MBDA in implementation of IBDLP. During the last one year, in addition to providing the programme management & implementation support to MBDA, IDFC Foundation utilized some of its CSR funds for a Renewable Energy (“**RE**”) projects in the State with the active support of the local community. The Solar Street Lighting project at Mawlynnong has been

successfully completed with the installation of 30 solar street lights in the village and was inaugurated on May 3, 2015. Several senior Government of Meghalaya officials were present at the occasion, including Principal Secretary, Community & Rural Development (“**C&RD**”) Department, and the Development Commissioner. The role played by IDFC Foundation was greatly appreciated. Mawlynnong, a village of 503 people, was named “Asia’s cleanest village” by India Discovery Magazine in 2003 and a large number of tourists visit this village. So far, in the absence of street lights, sight-seeing and experiencing the natural beauty of Mawlynnong remained a day time activity. Now, with the Solar Street Lights in the village and lighting up of public spaces, tourists would be encouraged to spend the night in the village and experience the local culture, which would significantly improve the livelihood of the villagers. This Public-Private-Community Partnership project has become a model for the Government to replicate in other rural areas.

Delhi Urban Shelter Improvement Board

The Foundation successfully concluded its programme support commitment under its Memorandum of Cooperation with the Delhi Urban Shelter Improvement Board (“**DUSIB**”), Government of Delhi, for developing projects for the urban poor under a PPP framework. Support was provided for development of PPP frameworks in three key areas, namely (i) In-situ redevelopment of slum clusters, (ii) Effective and efficient operation and management of night shelters presently operated by DUSIB, and (iii) Installation and operation of bio-digester technology based mobile toilets vans (“**MTVs**”) in slums.

The team has advised the department at the conceptual stage and also developed project

structures, bid documents and contractual frameworks for all the three project areas in consultation with department officials. The proposal for an in-situ redevelopment project at Hari Nagar cluster, Ashram, expected to benefit approximately 550 slum households, was taken up on a pilot basis and is presently under consideration of the Delhi government. In addition to this, projects covering 90 night shelters across the city, and 67 MTVs in 53 slum clusters have been successfully tendered by the department and awarded to operators during the year with assistance from the Foundation. DUSIB has incorporated the same methodology in the award of subsequent contracts. The Foundation continues to provide occasional support to the department on a need-only basis to ensure the success of these initiatives.

CPACT

IDFC Foundation has been supporting the Civil Society & Corporate Partnership for Action (“**CPACT**”), established within the Board of Revenue (“**BoR**”), Government of Uttarakhand, for coordinating assistance received from corporates and civil society to the flood victims of the monsoon calamity of June 2013 in the disaster-affected districts of Uttarakhand. Under the Memorandum of Understanding (“**MoU**”), CPACT facilitated various critical initiatives such as engaging with Power PSUs for allocation of CSR funds towards flood relief, providing assistance to interested corporate donors in identifying beneficiaries and to local NGOs to access corporate funds, managing a database and website to help coordination of assistance, and documenting success stories from the field.

However, the contributions from corporates and civil society towards the relief efforts reduced significantly by FY15. Recognising the curtailed role for coordination by CPACT

in the wake of reduced contributions, the BoR, Government of Uttarakhand and IDFC Foundation agreed to bring the engagement and the MoU to a formal close with the effective date of termination being April 15th, 2015. The BoR has formally appreciated the contribution of IDFC Foundation in the reconstruction and rehabilitation process.

COMMUNITY ENGAGEMENT PROGRAMMES

EDUCATION

Night School Transformation Programme, Mumbai

IDFC Foundation for the last three years (2012-13 to 2014-15) has been supporting Masoom, an organization implementing the "Night School Transformation Programme" and working towards improving education in night schools. The grant support extended by IDFC Foundation has been covering a large part of the administrative expenses of Masoom and helped improve its organizational system and programme delivery. IDFC employees were also actively engaged with Masoom as volunteers. Masoom in this period has been able to scale up its interventions to 30 night schools, impacting the life of about 3,500 students and currently is at the threshold of expanding to cover more night schools. With Masoom's intervention, these 30 night schools have made great progress in improving the SSC pass percentages, attendance of students, and students securing first class. Through sustained advocacy and demonstration of committed performance, Masoom has been able to influence the Government of Maharashtra to provide nutrition to standard 8 students of the night schools and also a non-salary grant to the night schools. IDFC Foundation has worked

with Masoom to strengthen its organizational and administrative aspects. During 2014-15, IDFC Foundation also connected Masoom to the Foodbanking Network.

ICDS, Uttarakhand

IDFC Foundation continued with the implementation of its pilot project in Early Child Care and Education ("ECCE") across 6,000 Anganwadi Centers in five districts of Uttarakhand (Dehradun, Haridwar, Udham Singh Nagar, Tehri-Garhwal & Nainital). The pilot project, initiated in 2013, seeks to improve the learning levels of children, build capacities of Anganwadi workers in using newer learning systems and increase community involvement in early childhood development. During the year, IDFC Foundation along with its partner Sesame Workshop India, completed two rounds of trainings of a core group of 30 Training Specialists and about 200 Master Trainers, who are mostly the supervisors and CDPOs of participating districts. These trainers in turn trained about 6,000 Anganwadi workers in the state. A baseline study was commissioned during the year to collect and analyse baseline information for the programme, which would form the basis for impact evaluation on completion of this pilot programme.

Learning Level Improvement Programme, Alwar, Rajasthan

The year marked the successful initiation of a primary education programme for "Improving Learning Outcomes in 60 Government Primary Schools in Ramgarh and Kishangarh blocks of Alwar District of Rajasthan". Four broad result areas are being targeted as part of the programme:

- i. Improvement in teaching-learning processes through the use of effective pedagogic tools

- ii. Well rounded growth of students through focus on extra-curricular activities, development of leadership skills and active engagement with schools affairs
- iii. Improvement in overall school management through strengthening of School Management Committees (SMCs) and better parent-teacher engagement
- iv. Improvement in the physical environment of the schools

The programme has been conceived in partnership with the Alwar district administration. Ibtada, a reputed grassroots organization focused on issues of education in backward areas of the district, will be the local implementing partner. The programme was officially launched in October 2014 with the signing of the MoU under the District administration's flagship programme, Project EKTA (aimed at developing long term public-private partnerships in education) at a press conference held at the District Institute of Education and Training ("DIET"), Alwar. The project launch was well attended by officials from the District Education Department, Project EKTA, DIET Alwar and SarvaShikshaAbhiyan, members of the media and the community.

This was also followed by a field launch of the programme in the Ramgarh block, in the presence of the local MLA, district officials, and community leaders. This was extensively covered by the local media. The programme has successfully completed the first six-month work period (October 14–March 15), including works such as village level and school level surveys, recruitment, training and deployment of motivators, development of packages for remedial education, training of school teachers and motivators for using the remedial package, orientation workshop of head masters of target schools, conduct of learning-level

assessments of all students in the primary classes, identification of students in need of remediation, delivery of remedial education, and facilitating the working of school management committees. The programme is expected to demonstrate notable improvements in the learning environment at the target schools and the learning levels of students by the end of September 2015.

HEALTH

SNEHA, Mumbai

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” programme. Under the programme referral systems are established between lower and higher healthcare facilities for safe delivery. SNEHA has partnered with 104 health facilities (hospitals, maternity homes and health posts) in four Municipal Corporations of Mumbai Metropolitan Region, and about 1 lakh pregnant women with normal conditions and 20,000 with high risk and emergency conditions have benefitted from the programme.

New Health Initiatives In Madhya Pradesh

New programmes are being developed in the area of maternal and child health improvement for select districts in Madhya Pradesh with a focus on improving nutrition among women and children. These demonstration programmes are designed to help reduce the incidence of severe and moderate malnutrition in the state.

OTHER INITIATIVES AND ACTIVITIES

The Foundation's joint venture companies, iDeCK, U-DeC and DIMTS, continued their engagement in project development and advisory services across various infrastructure sectors. In addition, DIMTS has been assisting the Government of Delhi's transport department on a range of project management, construction and operations and maintenance services.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates—global or domestic or both, reduction in number of viable infrastructure projects, significant changes in political and economic environment in India or financial markets abroad, tax laws, litigation, exchange rate fluctuations, interest and other costs.



corporate governance report

IDFC'S 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.

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

Corporate Governance is a continuous process at IDFC. 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. Governance practices not only deal with the growing size of the business, but also increase in complexities of the organisational structure that supports such growth.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (“SEBI”) through Clause 49 of the Listing Agreement with the Stock Exchanges. The Companies Act, 2013 is brought in line with certain provisions of Clause 49 of the Listing Agreement. 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 Companies Act, 2013 and mandated elements of Clause 49, but also incorporates certain non-mandatory recommendations.

This chapter, read with the chapters on Management Discussion & Analysis, Board's Report and Additional Shareholder Information, reports IDFC's compliance with Clause 49 of the Listing Agreement.

BOARD OF DIRECTORS COMPOSITION

As on March 31, 2015, IDFC's Board consisted of 10 Directors, comprising (i) two whole-time Directors consisting of an

Executive Chairman and a Managing Director & CEO; (ii) six Independent Directors (“IDs”); (iii) one Nominee Director of an institution which has invested in the Company and (iv) one Nominee Director of the Government of India (“Gol”). The Directors bring to the Board a wide range of experience and skills which include banking, global finance, accounting and economics. None of the Directors of the Company is related to each other.

During the year, Mr. Shardul Shroff, ID of the Company resigned from the Board with effect from June 3, 2014. Mr. Vinod Rai was appointed on the Board of the Company on June 30, 2015 as an Additional Director in the category of ID.

As per the provisions of Section 149(4) of the Companies Act, 2013, every listed company shall have at least one-third of the total number of Directors as IDs. However, Clause 49 states that where the Chairman is an Executive Director, at least half of the Board should comprise IDs. The Chairman of IDFC is an Executive Director and accordingly, majority of the Board consists of IDs. Thus, the composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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.

Table 1 gives details of the composition of Board of Directors for FY15 including their other Directorships and Memberships / Chairmanships of Committees.

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, 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 unlisted 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 unlisted subsidiary companies is also placed before the Board. Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on January 29, 2015, adopted the Policy on Related Party Transactions in compliance of the provisions of the Companies Act, 2013 and Listing Agreement. The Boards of the respective subsidiaries of IDFC also adopted the Group policy on Related Party Transactions.

During FY15, the Board met six times and the gap between any two meetings was less than one hundred and twenty days. The dates of the meetings were: April 25, 2014; June 3, 2014, July 29, 2014, October 30, 2014, January 29, 2015 and March 20, 2015.

INFORMATION PROVIDED TO THE BOARD

The Board has complete access to all the information about the Company. Moreover, the following information, whenever it occurs, is regularly provided to the Board as a part of the agenda papers which are sent well in advance of the Board Meetings or when considered appropriate, tabled in the course of the meeting:

- Annual operating plans, budgets and updates thereof.
- Capital budgets and updates thereof.
- Quarterly results of the Company, its operating divisions and business segments. These results are reviewed by the Audit Committee and recommended to the Board.
- Minutes of the meetings of the Audit and other Committees of the Board and circular resolutions passed.
- Minutes of the Board Meetings of subsidiary companies.
- Information on recruitment and terms of appointment of the Executive Directors ("EDs"), the Chief Financial Officer ("CFO") and the Company Secretary. The terms of appointment of the CFO are also considered by the Audit Committee of the Company.
- Materially important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrence, any material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered by the Company, if any.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

01 Composition of Board of Directors for FY15

NAME OF THE DIRECTOR	DIN NO.	POSITION
Dr. Rajiv B. Lall	00131782	Executive Chairman
Mr. Vikram Limaye	00488534	Managing Director & CEO
Ms. Snehlata Shrivastava	06478173	Nominee of Ministry of Finance, GoI, Non-Executive
Mr. Joseph Dominic Silva	06388807	Nominee of Domestic and Foreign Institutional Shareholders, Non-Executive
Mr. S. S. Kohli	00169907	Independent Director
Mr. Donald Peck	00140734	Independent Director
Mr. S. H. Khan	00006170	Independent Director
Mr. Shardul Shroff ¹	00009379	Independent Director
Mr. Gautam Kaji	02333127	Independent Director
Dr. Omkar Goswami	00004258	Independent Director
Ms. Marianne Økland	03581266	Independent Director

¹ Excluding Directorship in Foreign Companies, Private Limited Companies, Companies under Section 8 of the Companies Act, 2013 (Section 25 under the erstwhile Companies Act, 1956) and Companies in which the Directors hold office as an Alternate Director.

² Includes membership and chairmanship of only Audit Committee and Stakeholders' Relationship Committee as mandated by Clause 49 of the Listing Agreement.

³ Mr. S. H. Khan, Chairman of the Audit Committee and Stakeholders' Relationship Committee, owing to his health reasons, could not attend the AGM of the Company held on July 29, 2014. However, he attended the Board and other committees meetings, held on that day through Video Conferencing.

⁴ Resigned as an ID w.e.f. June 3, 2014.

- Details of any joint venture or collaboration agreements.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of a material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if and where material.
- Non-compliance of any regulatory, statutory or listing requirements and Shareholders service such as non-payment of dividend, delay in share transfer etc., if any.
- Various policies adopted at IDFC and group level.

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.

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 and Board Committee Meetings, on business and performance updates of the Company/group subsidiaries, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year.

MEETINGS OF INDEPENDENT DIRECTORS

The Company's IDs met once without the presence of Executive Directors and management personnel. This meeting was

02 Composition of Advisory Council for FY15

NAME	DESIGNATION
Mr. Deepak Parekh	Chairman
Mr. R. Chandrashekar	Member
Mr. Vinod Rai	Member
Dr. Jaimini Bhagwati	Member

NO. OF MEETINGS HELD IN FY15	NO. OF MEETINGS ATTENDED IN FY15	WHETHER ATTENDED LAST AGM ON JULY 29, 2014	NO. OF DIRECTORSHIPS OF OTHER PUBLIC COMPANIES ¹	NUMBER OF COMMITTEES (INCLUDING IDFC) ²
6	6	YES	7	2 (including 1 Chairmanship)
6	6	YES	8	2
6	3	NO	3	4
6	2	NO	–	–
6	6	YES	8	9 (including 4 Chairmanship)
6	4	YES	1	–
6	6	NO ³	6	9 (including 4 Chairmanship)
2	2	N.A.	N.A.	N.A.
6	6	YES	2	2 (including 1 Chairmanship)
6	5	YES	8	9 (including 1 Chairmanship)
6	6	YES	1	1

conducted informally to enable IDs to discuss matters pertaining to the Company's affairs.

CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct for all Directors and designated Senior Management Personnel (“SMP”) of the Company. The code is available on the website of the Company www.idfc.com. All Board members and designated SMP have affirmed their compliance with the Code. A declaration to this effect duly signed by the Chief Executive Officer is enclosed at the end of the chapter on Additional Shareholder Information.

All the IDs of the Company have given a declaration of Independence pursuant to Section 149(6) and 149(7) of the Companies Act, 2013, read with Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014 alongwith their affirmance to the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

ADVISORY COUNCIL

The Advisory Council of IDFC is a high level consultative body that provides support and advice to the Management and the Board of Directors of IDFC on issues pertaining to business strategy including, but not limited to, foray into new business areas, acquisitions and diversification of the business, corporate citizenship and corporate governance. The vast experience of the members of the Council and their insights add great value to

the Board of Directors and Management to appropriately advance IDFC's mission and business goals.

The Advisory Council members provide unique industry insights and support the exploration of new business ideas. The Council helps the Board of Directors to understand external environment, potential risks and future drivers of growth. The Council provides guidance for active leadership on operational, environment and sustainability related matters, relevant to the business through outreach to network of contacts. The Council helps to increase stakeholder confidence in the Company, including among investors, government, regulators and other public organisations. The members of the Council met three times during FY15: April 14, 2014, October 29, 2014 and February 27, 2015. **Table 2** gives details of the Advisory Council.

COMMITTEES OF THE BOARD

As of March 31, 2015, IDFC had the following Board-level Committees:

(i) the Audit Committee; (ii) the Nomination & Remuneration Committee; (iii) the Risk Committee; (iv) the Stakeholders' Relationship Committee (v) the Corporate Social Responsibility Committee and (vi) the Credit 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.

03 Attendance details of Audit Committee Meetings for FY15

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. S. H. Khan	Independent Director	Chairman	4	4
Mr. Gautam Kaji	Independent Director	Member	4	4
Mr. Shardul Shroff ¹	Independent Director	Member	1	1
Dr. Omkar Goswami	Independent Director	Member	4	3
Ms. Marianne Økland	Independent Director	Member	4	4
Ms. Snehlata Shrivastava	Nominee Director	Member	4	3

¹ Resigned as an ID and Member of the Committee w.e.f June 3, 2014

04 Attendance details of Nomination & Remuneration Committee Meetings for FY15

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Dr. Omkar Goswami	Independent Director	Chairman	2	2
Mr. Gautam Kaji	Independent Director	Member	2	2
Mr. Donald Peck	Independent Director	Member	2	1
Dr. Rajiv B. Lall	Executive Chairman	Member	2	2

These Committees 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. Mr. Mahendra N. Shah officiates as the Secretary to all the Committees.

Details on the role and composition of these committees, including the number of meetings held during FY15 and the attendance of each member, are given hereinafter.

A Audit Committee

As on March 31, 2015, the Audit Committee comprised five members, four of whom are IDs and one Nominee Director. The Committee met four times during FY15: on April 25, 2014, July 29, 2014, October 30, 2014 and January 29, 2015. The time gap between any two meetings was less than four months. Attendance details of the Audit Committee Meetings are given in **Table 3**.

The CFO and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. Mr. Mahendra N. Shah, Company Secretary of IDFC, is the Secretary to the Committee. The quorum of the meeting is three 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, reappointment and, if required, the replacement or removal 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;
- 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 in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;

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 auditor's 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;
- 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;
- Reviewing with Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Any other terms of reference as may be, included from time to time in Clause 49 of the Listing Agreement.

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 legal or other independent professional advice and to secure the attendance / services of outsiders with relevant experience and expertise, when necessary.

IDFC has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Statement of significant related party transactions, submitted by the Management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses, if any;
- The appointment, removal and terms of remuneration of the Internal Auditor;
- Whenever applicable, monitoring the end use / application of funds raised through public issues, rights issues, preferential issues by major category, as part of the quarterly and annual declaration of financial results;
- If applicable, on an annual basis, statement certified by the Statutory Auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document / prospectus / notice;
- The Management Discussion & Analysis of the financial condition and results of operations;
- In addition, the Audit Committee also reviews the financial statements, in particular, the investments made by the unlisted 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

The Board at its meeting held on June 3, 2014 combined the Nomination Committee and Compensation Committee which was named as Nomination & Remuneration Committee ("NRC"). One meeting of the erstwhile Compensation Committee was held on April 25, 2014.

As of March 31, 2015, the NRC of IDFC comprised four Directors, three of whom are IDs and Executive Chairman of the Company. The Committee met two times during FY15: on June 3, 2014 and January 29, 2015. Dr. Omkar Goswami, ID, the Chairman of the NRC, was present at the AGM held on July 29, 2014. The quorum for any meeting of this Committee is two members. Attendance details of the NRC are given in **Table 4**.

The role of the committee includes the following:

- 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;
- Formulation of criteria for evaluation of IDs and the Board;
- Devising a policy on Board diversity;
- 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;
- Succession planning of the Board of Directors and SMP.

The details of the evaluation criteria form part of this Annual Report.

IDFC pays remuneration to EDs by way of salary, perquisites and 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, which is separately disclosed in the financial statements. 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 minutes of the Committee are reviewed by the Board.

The Non-Executive Directors ("NEDs") are paid remuneration by way of commission and sitting fees. The Board at its meeting held on July 29, 2014 approved the increase in the sitting fees to be paid to its Directors to ₹ 75,000 per Board meeting and ₹ 25,000 per Committee Meeting.

05 Criteria for payment of commission to Non-Executive Directors

PARTICULARS	PROPOSED AMOUNT (₹ PER ANNUM)
Fixed Remuneration for member of the Board	1,050,000
Chairman of the Board	1,050,000
Chairman of the Audit Committee	300,000
Chairman of Other Committees	150,000
Member of the Audit Committee	150,000
Member of Other Committees	75,000
Variable remuneration (Depending on attendance at Board Meetings)	450,000

06 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	PERFORMANCE LINKED INCENTIVE	COMMISSION FOR FY14	PAID DURING FY15 TOTAL
Mr. Deepak Parekh ¹	–	–	–	–	306,250	306,250
Dr. Rajiv B. Lall ²	–	27,632,425	1,402,771	15,000,000	–	44,035,196
Mr. Vikram Limaye ²	–	24,328,824	1,280,766	13,500,000	–	39,109,590
Ms. Snehlata Shrivastava	–	–	–	–	–	–
Mr. Donald Peck	450,000	–	–	–	1,575,000	2,025,000
Mr. S. H. Khan	950,000	–	–	–	2,175,000	3,125,000
Mr. Shardul Shroff ³	250,000	–	–	–	1,587,500	1,837,500
Mr. Gautam Kaji	700,000	–	–	–	1,725,000	2,425,000
Dr. Omkar Goswami	600,000	–	–	–	2,006,250	2,606,250
Mr. S. S. Kohli	800,000	–	–	–	1,718,750	2,518,750
Ms. Marianne Økland	650,000	–	–	–	1,725,000	2,375,000
Mr. Joseph Dominic Silva	150,000	–	–	–	1,200,000	1,350,000

¹ Ceased to be a Director and Non-Executive Chairman of the Company w.e.f. May 1, 2013.

² During the year, no stock options were granted to Dr. Rajiv B Lall and Mr. Vikram Limaye.

³ Resigned from the Board as an ID w.e.f. June 3, 2014

07 Attendance details of Risk Committee Meetings for FY15

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. Gautam Kaji	Independent Director	Chairman	4	4
Mr. Shardul Shroff ¹	Independent Director	Member	1	1
Mr. S. H. Khan	Independent Director	Member	4	4
Ms. Marianne Økland	Independent Director	Member	4	4
Dr. Rajiv B. Lall	Executive Chairman	Member	4	4
Mr. Vikram Limaye	Managing Director & CEO	Member	4	4

¹ Resigned as an ID and Member of the Committee w.e.f. June 3, 2014

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 at the Board and Committee Meetings as well as Chairmanship of the Committees. The Company has not granted any stock options to NEDs / IDs. The criteria for payment of commission to NEDs are given in **Table 5**. For FY15, IDFC will pay a sum of ₹ 13,475,000/- as commission to its NEDs.

Table 6 gives details of remuneration paid to the Directors during FY15. The Company did not advance loans to any of its Directors during FY15. None of the Directors is entitled to severance fee and none of the NEDs held any stock options as at March 31, 2015. The notice period for Dr. Rajiv B. Lall, the Executive Chairman and Mr. Vikram Limaye,

Managing Director & CEO is three months. 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 of Directors

The evaluations for the Directors and the Board is proposed to be done through circulation of two questionnaires, one for the Directors and the other for the Board which would assess the performance of the Board on select parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

08 Attendance details of Stakeholders' Relationship Committee Meetings for FY15

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Mr. S. H. Khan	Independent Director	Chairman	4	4
Mr. Shardul Shroff ¹	Independent Director	Member	1	1
Dr. Rajiv B. Lall	Executive Chairman	Member	4	4
Mr. Vikram Limaye	Managing Director & CEO	Member	4	4

¹ Resigned as an ID and Member of the Committee w.e.f. June 3, 2014

8A Nature of complaints received and attended during FY15 for Equity Shares

SR. NO.	NATURE OF COMPLAINT	PENDING AS ON APRIL 1, 2014	RECEIVED DURING THE YEAR	ANSWERED DURING THE YEAR	PENDING AS ON MARCH 31, 2015
1.	Non-receipt of Dividend	NIL	420	420	NIL
2.	Non-receipt of Annual Report	NIL	234	234	NIL
3.	Complaints received from:				
	- SEBI	NIL	7	7	NIL
	- Stock Exchange	NIL	3	3	NIL
4.	Non-receipt of Refund	NIL	3	3	NIL
5.	Non-receipt of Electronic Credit(s)	NIL	1	1	NIL

8B Nature of complaints received and attended during FY15 for Infrastructure Bonds issued u/s 80CCF of Income Tax Act, 1961

SR. NO.	NATURE OF COMPLAINT	PENDING AS ON APRIL 1, 2014	RECEIVED DURING THE YEAR	ANSWERED DURING THE YEAR	PENDING AS ON MARCH 31, 2015
1.	Non-receipt of Bond Certificate(s)	NIL	2,999	2,999	NIL
2.	Non-receipt of Electronic Credit	NIL	2	2	NIL
3.	Non-receipt of Refund order	NIL	11	11	NIL
4.	Status of Application	NIL	1	1	NIL
5.	Non-receipt of Interest	NIL	6,503	6,503	NIL
6.	Complaints received from:				
	- SEBI	NIL	34	34	NIL
	- Stock Exchange	NIL	3	3	NIL

Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and Other Employees

IDFC is in the process of developing a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and Other Employees. The remuneration of the EDs is recommended by the NRC to the Board for its approval.

C Risk Committee

IDFC has in place mechanisms 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 Committee and it monitors and reviews risk management of the Company on a regular basis.

The Risk 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 quorum for any meeting of this Committee is three members.

Mr. Gautam Kaji, Chairman of the Committee, reports the findings / observations of the Committee to the Board. All the members of the Committee consist of members of the Board of Directors. Senior Executives of the Company are permanent invitees to the said Committee meeting.

The Committee met four times during the year under review on April 25, 2014, July 29, 2014, October 30, 2014, and January 29, 2015. Attendance details of Risk Committee Meetings are given in **Table 7**.

D Stakeholders' Relationship Committee (SRC)

As of March 31, 2015, the SRC consists of three Directors, one being Independent. The Committee met four times during the year on April 25, 2014, July 29, 2014, October 30, 2014 and January 29, 2015. The quorum for any meeting of this Committee is two members. Attendance details of SRC meetings are given in **Table 8**.

The Committee is empowered to perform the functions of the Board in relation to handling of Shareholders' and other investors' complaints and grievances. The Committee considers and resolves the grievances of the security holders of the company including complaints related to transfer of securities, non-receipt of balance sheet, 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 share transfer agent;
- Review of corporate actions related to investor issues; and
- To perform any other function, duty as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, 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 Dr. Rajiv B. Lall, Mr. Vikram Limaye and Mr. Mahendra N. Shah looks into share transfer 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. Mahendra N. Shah, the Company Secretary is designated as the Compliance Officer in terms of the Listing Agreement with the Stock Exchanges. In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is mahendra.shah@idfc.com.

Details of queries and grievances received and attended by the Company during FY15 for Equity Shares and Infrastructure Bonds are given in **Table 8A** and **Table 8B** respectively. No complaints were received in

respect of the bonds issued by the Company on private placement basis.

E Corporate Social Responsibility Committee

As per the Companies Act, 2013, all companies having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year were required to constitute a Corporate Social Responsibility ("CSR") Committee of the Board consisting of three or more Directors, out of which atleast one Director shall be an ID. Accordingly, the Board of Directors of the Company, at its meeting held on April 25, 2014 constituted the "CSR Committee" pursuant to Section 135 of the Companies Act, 2013 and corresponding Rules pertaining to CSR. The Composition of CSR Committee is given in **Table 9**. The quorum for any meeting of this Committee is two members.

The purpose of the Committee is to formulate and monitor the CSR policy of the Company. One meeting of the CSR Committee was held on January 29, 2015, where the CSR Policy was approved by the Committee and recommended to the Board for adoption. This policy was also adopted by the subsidiaries to which provisions relating to CSR were applicable. The Board at its meeting held on January 29, 2015 adopted the CSR Policy recommended by the CSR Committee. 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.

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NEDs

As on March 31, 2015, none of the NEDs held any shares or convertible instruments of the Company.

APPOINTMENT / RE APPOINTMENT OF DIRECTORS

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Joseph Dominic Silva (DIN: 06388807) would be retiring by rotation and being eligible, offers himself for re appointment at the ensuing AGM.

09 Composition of Corporate Social Responsibility Committee for FY15

NAME OF THE MEMBER	POSITION	STATUS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Dr. Rajiv B. Lall	Executive Chairman	Chairman	1	1
Dr. Omkar Goswami	Independent Director	Member	1	1
Mr. Vikram Limaye	Managing Director & CEO	Member	1	1

The Shareholders at the 17th AGM held on July 29, 2014 approved the appointment of Mr. S.H. Khan, Mr. Gautam Kajji and Mr. Donald Peck as IDs of the Company. Further, on March 30, 2015, the Shareholders of the Company by way of postal ballot approved the appointment of Mr. S.S. Kohli, Ms. Marianne Økland and Dr. Omkar Goswami as IDs of the Company.

Based on the recommendation of the NRC of the Company and subject to the approval of the Members at the AGM, the Board has, on June 30, 2015, appointed Mr. Vinod Rai (DIN: 01119922) as an Additional Director in the category of ID of the Company. It is proposed to appoint him for a period of three (3) consecutive years at the ensuing AGM to hold office from the conclusion of the 18th AGM till the conclusion of the 21st AGM of the Company.

Brief profiles of the Directors getting appointed / re appointed is given in the Exhibit to the Notice of the AGM.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report has a separate chapter titled Management Discussion & Analysis.

DISCLOSURES

During the year, there were no materially significant related party transactions that could have any potential for conflict with the interest of the Company at large. Details of related party transactions are included in the notes to the Financial Statements which forms part of this Annual Report.

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 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable.

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 statutory authority on any matter related to capital market during the last three years.

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.

SUBSIDIARY COMPANIES

Clause 49 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 does not have any material non-listed Indian subsidiary. The Audit Committee reviews the financial statements of the subsidiary companies and the investments made by its unlisted subsidiaries. The audited Annual Financial Statements of the subsidiary companies have been provided to the Audit Committee and Board of IDFC.

10 Annual General Meetings held during the last three years

FINANCIAL YEAR	LOCATION OF THE MEETING	DATE	TIME	SPECIAL RESOLUTIONS PASSED WITH REQUISITE MAJORITY
FY12	The Music Academy, New No. 168 (Old No. 306), T.T.K. Road, Royapettah, Chennai - 600 014.	July 09, 2012	11.00 a.m.	(i) Appointment of Statutory Auditors; (ii) Change of Name of the Company; and (iii) Alteration of Articles of Association of the Company.
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 - 600 014.	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

* 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.

11 Compliance with the Listing Agreement

PARTICULARS	CLAUSE OF LISTING AGREEMENT	COMPLIANCE STATUS
II BOARD OF DIRECTORS	49 (II)	Compliant
A. Composition of Board	49 (IIA)	Compliant
B. Independent Directors	49 (IIB)	Compliant
C. Non-executive Directors Compensation & Disclosures	49 (IIC)	Compliant
D. Other provisions as to Board and Committees	49 (IID)	Compliant
E. Code of Conduct	49 (IIE)	Compliant
F. Whistle Blower Policy	49 (IIF)	Compliant
III AUDIT COMMITTEE	49 (III)	Compliant
A. Qualified & Independent Audit Committee	49 (IIIA)	Compliant
B. Meeting of Audit Committee	49 (IIIB)	Compliant
C. Powers of Audit Committee	49 (IIIC)	Compliant
D. Role of Audit Committee	49 III(D)	Compliant
E. Review of Information by Audit Committee	49 (IIIE)	Compliant
IV NOMINATION AND REMUNERATION COMMITTEE	49 (IV)	Compliant
V SUBSIDIARY COMPANIES	49 (V)	Compliant
VI RISK MANAGEMENT	49 (VI)	Compliant
VII RELATED PARTY TRANSACTIONS	49 (VII)	Compliant
VIII DISCLOSURES	49 (VIII)	Compliant
A. Related party transactions	49 (VIII A)	Compliant
B. Disclosure of Accounting Treatment	49 (VIII B)	Compliant
C. Remuneration of Directors	49 (VIII C)	Compliant
D. Management	49 (VIII D)	Compliant
E. Shareholders	49 (VIII E)	Compliant
F. Proceeds from public, rights, preference issues etc.	49 (VIII F)	Compliant
IX CEO / CFO CERTIFICATION	49 (IX)	Compliant
X REPORT ON CORPORATE GOVERNANCE	49 (X)	Compliant
XI COMPLIANCE	49 (XI)	Compliant

12 Resolutions circulated through Postal Ballot

SR. NO	DESCRIPTION OF RESOLUTION(S)	NO. OF VOTES IN FAVOUR	NO. OF VOTES AGAINST
1	Appointment of Mr. Surinder Singh Kohli (DIN: 00169907) as Independent Director as an Ordinary Resolution	99.29	0.71
2	Appointment of Ms. Marianne Økland (DIN: 03581266) as Independent Director as an Ordinary Resolution	99.56	0.44
3	Appointment of Dr. Omkar Goswami (DIN: 00004258) as Independent Director as an Ordinary Resolution	87.31	12.69
4	Amendment to Articles of Association by inserting clause relating to restriction on transfer of shares in certain circumstances as a Special Resolution	99.86	0.14
5	Creation of Charge / Hypothecation of Charge on the assets of the Company in respect of borrowings, under Section 180(1)(a) of the Companies Act, 2013 as a Special Resolution	99.90	0.10

RELATED PARTY TRANSACTIONS

During FY15, all transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) 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.

The Board of Directors at its Meeting held on January 29, 2015 has adopted a policy on Related Party Transactions in compliance with the provisions of the Companies Act, 2013 and Listing Agreement. The same is displayed on the website of the Company www.idfc.com

MD & CEO AND CFO CERTIFICATION

The MD & CEO and CFO certification on the financial statements and internal controls relating to financial reporting for FY15 is enclosed at the end of the chapter on Additional Shareholder Information.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

SHAREHOLDERS

MEANS OF COMMUNICATION WITH SHAREHOLDERS

As per Clause 54 of the Listing Agreement, IDFC maintains a website (www.idfc.com) containing basic information about the Company, such as details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials who are responsible for assisting and handling investor grievances. It also displays all official press releases and presentation to analysts made by the Company. Information on this website is regularly updated.

Pursuant to Clause 52 of the Listing Agreement, information about the financial results, shareholding pattern and other specified details are now electronically filed through the Corporate Filing & Dissemination System ("CFDS"). Investors can visit the website www.corpfiling.co.in to view such data. 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 also done / filed through these systems in addition to dissemination of information by e-mail and fax.

The quarterly, half-yearly and annual results of IDFC's performance are published in leading newspapers like the Hindu Business Line & Makkal Kural in Chennai and are also displayed on the website of the Company.

SPECIAL RESOLUTIONS SOUGHT TO BE PASSED AT THE ENSUING AGM

IDFC seeks the approval of Members of the Company by way of Special Resolution in respect of the following proposal:

- i. Offer & Issue Non-Convertible Securities under Private Placement

Detailed explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above item forms part of the Notice of the 18th AGM.

ANNUAL AND EXTRA-ORDINARY GENERAL MEETINGS OF SHAREHOLDERS

Table 10 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.

COMPLIANCE

STATUS OF COMPLIANCE WITH THE LISTING AGREEMENT

Table 11 gives the data. As is evident, IDFC is fully compliant.

POSTAL BALLOT

During FY15, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, approval of the Shareholders of the Company was sought vide Notice dated February 19, 2015 circulated through postal ballot in respect of the resolutions, details of which are given in Table 12.

The Company also offered e-voting facility to its Shareholders through Karvy Computershare Private Limited ("Karvy")

to enable the Members to cast their votes electronically.

The Company appointed Ms. Savita Jyoti, a practicing Company Secretary, as the Scrutinizer for the postal ballot process both for e-voting and physical ballot papers received. The above resolutions were passed by the requisite majority and the Scrutinizer submitted her report to the Chairman. The result was announced on Monday, March 30, 2015 and the same was displayed at the Corporate Office and the Registered Office of the Company. The said result was posted on the website of the Company, besides being communicated to the stock exchanges where the securities of IDFC are listed.

The Company may seek to pass Special Resolution(s) in FY16 through Postal Ballot, as and when required, subject to applicable Act and Rules.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of Equity Listing Agreement (as amended by SEBI vide its Circular No. CIR / CFD / POLICY CELL / 2 / 2014 dated April 17, 2014, the Company has established the Vigil Mechanism, as part of the 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 or ethics policy. It also provides adequate safeguards against the victimisation of employees who avail of this mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee oversees 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 has been disclosed on the website of the Company.

ADOPTION OF NON-MANDATORY REQUIREMENTS

A Separate posts of Chairman and CEO

Dr. Rajiv B. Lall is acting as the Executive Chairman and Mr. Vikram Limaye is acting as Managing Director & CEO of the Company.

B Audit Qualification

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

C Reporting of Internal Auditor

The Internal auditor reports directly to the Audit Committee.

additional shareholder information

ANNUAL GENERAL MEETING

Date

Thursday, July 30, 2015

Time

2:00 p.m.

Venue

The Music Academy, Kasturi Srinivasan Hall,
Next to Acropolis Building,
New No. 168 (Old No.306), T.T.K. Road,
Royapettah, Chennai 600 014, Tamil Nadu

FINANCIAL CALENDAR

Financial year - April 1, 2014 to March 31, 2015

For the year ended March 31, 2015, results were announced on:

- July 29, 2014 for the first quarter.
- October 30, 2014 for the second quarter and half year.
- January 29, 2015 for the third quarter.
- April 30, 2015 for the fourth quarter and annual.

For the year ending March 31, 2016, results will be announced latest by:

- Second week of August 2015 for the first quarter.
- Second week of November 2015 for the second quarter and half year.
- Second week of February 2016 for the third quarter.
- Last week of May 2016 for the fourth quarter and annual.

IDFC'S LISTING AND STOCK EXCHANGE CODES

At present, the equity shares of IDFC are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") details whereof are given in **Table 1**. The annual listing fees for FY15 have been paid.

UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT

Pursuant to SEBI's Circular No. CIR / CFD / DIL / 10 / 2010 dated December 16, 2010, IDFC had credited the unclaimed shares lying

01 IDFC's Stock Exchange Codes for Equity shares

NAME OF THE STOCK EXCHANGE	STOCK SYMBOL / SCRIP CODE
National Stock Exchange of India Limited	IDFC EQ
BSE Limited	532659
ISIN	INE043D01016

CHART A

IDFC VS NIFTY IN PERCENTAGE

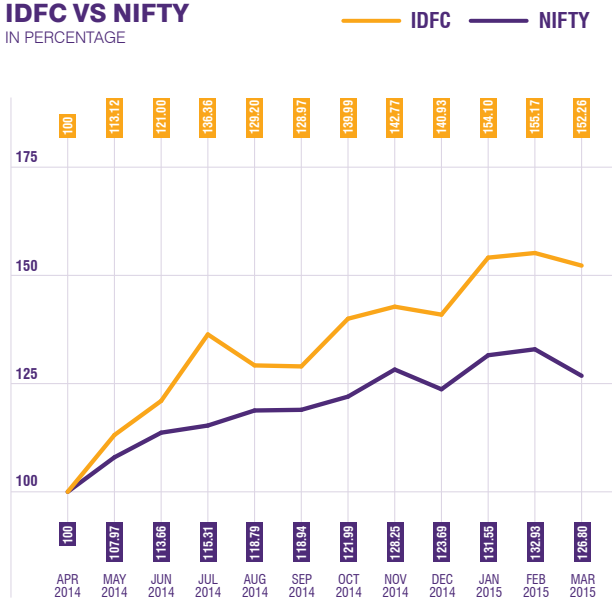
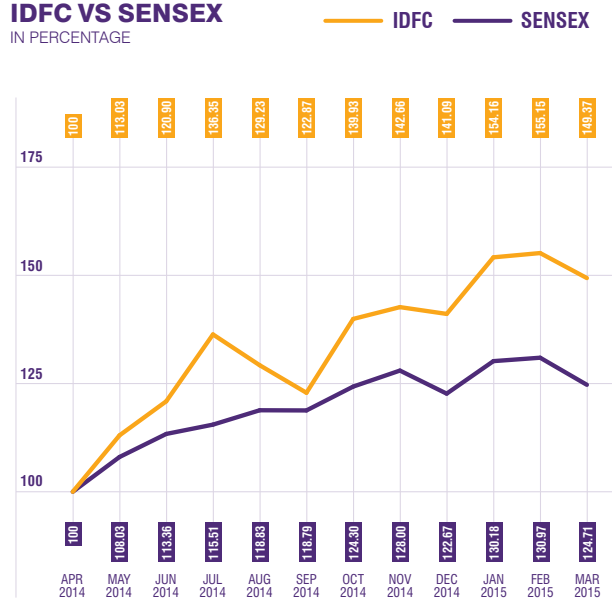


CHART B

IDFC VS SENSEX IN PERCENTAGE



02 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 i.e. as on April 1, 2014.	101	28,681
Number of Shareholders who approached to issuer / registrar for transfer of shares from suspense account during the year 2014-15	1	228
Number of Shareholders to whom shares were transferred from suspense account during the year 2014-15	1	228
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, 2015	100	28,453

in the escrow account, allotted in the Initial Public Offer of the Company during July–August 2005, into a Demat Suspense Account opened specifically for this purpose. The voting rights on the shares outstanding shall remain frozen till the rightful owner claims their shares. The details are given in **Table 2**.

BOOK CLOSURE

The dates of book closure are from July 25, 2015 to July 30, 2015 (inclusive of both days).

DIVIDEND PAYMENT

A final dividend of ₹ 2.60 per equity share will be paid from July 31, 2015, subject to approval by Shareholders at the ensuing AGM.

STOCK PRICES

Table 3 gives details of the stock market prices of IDFC's shares. A comparison of the share prices of the Company at NSE and BSE with their respective indices are given in **Charts A and B**.

DISTRIBUTION OF SHAREHOLDING

The distribution of the shareholding of IDFC's equity shares by size and by ownership as on March 31, 2015 are given in **Table 4** and **Table 5** 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 i.e. NSDL and CDSL. As on

March 31, 2015, over 99.99% shares of IDFC were held in dematerialised form. **Table 6** gives the details.

UNCLAIMED / UNPAID DIVIDEND / INTEREST

Pursuant to the applicable provisions of the Companies Act, 1956 and Companies Act, 2013, any dividend / interest / refund which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend / interest / 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 after such transfer.

03 High, low and volumes of IDFC's Equity Shares for FY15

MONTH	BSE			NSE		
	HIGH	LOW	VOLUME	HIGH	LOW	VOLUME
Mar 2015	187.50	160.30	16,659,627	188.00	160.00	124,621,294
Feb 2015	179.20	162.30	16,067,660	179.20	162.15	109,479,740
Jan 2015	177.80	152.35	21,947,727	177.75	152.45	161,832,686
Dec 2014	175.15	148.80	13,430,387	166.00	148.55	104,562,661
Nov 2014	163.00	150.25	17,309,946	162.95	150.10	122,563,808
Oct 2014	157.50	134.20	14,337,416	157.65	134.15	97,426,461
Sep 2014	152.35	136.05	21,412,030	152.40	136.00	145,708,954
Aug 2014	153.75	140.60	15,681,536	153.80	140.50	133,588,456
Jul 2014	166.70	132.30	52,841,032	166.65	132.10	376,202,258
Jun 2014	140.20	123.10	22,634,788	140.15	122.50	174,588,566
May 2014	147.15	107.50	28,708,045	147.20	107.30	229,242,572
Apr 2014	139.15	110.30	32,686,853	139.00	110.00	245,366,275

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

04 IDFC's distribution of shareholding pattern by size

CATEGORY (SHARES)	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 - 5000	387,897	98.69	116,446,989	7.31
5001 - 10000	2,538	0.64	18,777,294	1.18
10001 - 20000	1,135	0.29	16,405,534	1.03
20001 - 30000	339	0.09	8,553,852	0.54
30001 - 40000	164	0.04	5,848,017	0.37
40001 - 50000	126	0.03	5,906,217	0.37
50001 - 100000	270	0.07	19,208,540	1.20
100001 & Above	594	0.15	1,401,634,423	88.00
TOTAL	393,063	100.00	1,592,780,866	100.00

05 IDFC's Equity shareholding pattern by ownership

SR. NO.	PARTICULARS	MARCH 31, 2015		MARCH 31, 2014	
		NO. OF EQUITY SHARES (FACE VALUE OF ₹10 EACH)	% OF SHARES	NO. OF EQUITY SHARES (FACE VALUE OF ₹10 EACH)	% OF SHARES
	PROMOTERS HOLDING	N.A.	N.A.	N.A.	N.A.
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	17.24
ii.	Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Government Institutions)	73,601,379	4.62	132,805,249	8.76
iii.	Foreign Institutional Investors ("FIIs")	754,628,310	47.38	797,727,524	52.61
iv.	Foreign Direct Investment ("FDI")	5,851,271	0.37	10,501,271	0.69
v.	Mutual Funds	137,020,532	8.60	41,269,614	2.72
vi.	Private Bodies Corporate	153,745,975	9.65	107,103,577	7.07
vii.	Indian Public	177,310,615	11.13	142,049,580	9.37
viii.	NRIs / OCBs / Foreign Nationals	9,111,146	0.57	5,934,734	0.39
ix.	Any other	–	–	–	–
x.	Clearing Member	4,378,198	0.27	9,700,774	0.64
xi.	Trusts	7,389,281	0.47	2,186,482	0.14
xii.	HUF	8,344,159	0.53	5,607,446	0.37
	GRAND TOTAL	1,592,780,866	100.00	1,516,286,251	100.00

06 Dematerialisation of Shares as on March 31, 2015

CATEGORY	NO. OF SHARES	%
Physical	30,157	–
NSDL	1,541,926,047	96.81
CDSL	50,824,662	3.19
TOTAL	1,592,780,866	100.00

7A Status of Unclaimed Dividend as on March 31, 2015

PARTICULARS	UNCLAIMED DIVIDEND (₹)	DATE OF DECLARATION OF THE DIVIDEND	LAST DATE FOR CLAIMING DIVIDEND
2007-08	2,161,997	July 18, 2008	August 21, 2015
2008-09	1,719,312	July 20, 2009	August 23, 2016
2009-10	1,968,173	June 28, 2010	July 31, 2017
2010-11	2,818,246	July 27, 2011	August 29, 2018
2011-12	3,244,363	July 9, 2012	August 12, 2019
2012-13	2,733,997	July 29, 2013	August 29, 2020
2013-14	3,106,026	July 29, 2014	September 2, 2021

7B Status of Unclaimed Interest as on March 31, 2015

PARTICULARS	UNCLAIMED INTEREST (₹)	DATE OF PAYMENT OF INTEREST	LAST DATE FOR CLAIMING INTEREST
Interest Payment - Tranche 1 - Series 3/2010-11	1,465,200	November 12, 2011	November 11, 2018
Interest Payment - Tranche 1 - Series 1/2010-11	676,760	November 12, 2011	November 11, 2018
Interest Payment - Tranche 2 - Series 1/2010-11	6,829,800	February 21, 2012	February 20, 2019
Interest Payment - Tranche 3 - Series 1/2010-11	3,219,200	March 30, 2012	March 29, 2019
Interest Payment - Tranche 1 - Series 3/2010-11	1,574,625	November 12, 2012	November 11, 2019
Interest Payment - Tranche 1 - Series 1/2010-11	679,600	November 12, 2012	November 11, 2019
Interest Payment - Tranche 2 - Series 1/2010-11	7,924,400	February 21, 2013	February 20, 2020
Interest Payment - Tranche 3 - Series 1/2010-11	3,467,073	March 30, 2013	March 30, 2020
Interest Payment - Tranche 1 - Series 1/2011-12	4,414,950	December 31, 2012	December 30, 2019
Interest Payment - Tranche 2 - Series 1/2011-12	11,772,492	March 21, 2013	March 20, 2020
Interest Payment - Tranche 3 - Series 1/2011-12	4,451,052	March 30, 2013	March 30, 2020
Interest Payment - Tranche 1 - Series 3/2010-11	1,582,125	November 12, 2013	November 11, 2020
Interest Payment - Tranche 1 - Series 1/2010-11	800,800	November 12, 2013	November 11, 2020
Interest Payment - Tranche 1 - Series 1/2011-12	4,436,550	December 30, 2013	December 29, 2020
Interest Payment - Tranche 2 - Series 1/2010-11	8,456,400	February 21, 2014	February 20, 2021
Interest Payment - Tranche 3 - Series 1/2010-11	3,337,138	March 28, 2014	March 27, 2021
Interest Payment - Tranche 2 - Series 1/2011-12	11,180,370	March 21, 2014	March 20, 2021
Interest Payment - Tranche 3 - Series 1/2011-12	4,196,463	March 28, 2014	March 27, 2021
Interest Payment - Tranche 1 - Series 1/2010-11	860,400	November 12, 2014	November 11, 2021
Interest Payment - Tranche 1 - Series 3/2010-11	1,872,000	November 12, 2014	November 11, 2021
Interest Payment - Tranche 1 - Series 1/2011-12	5,362,920	December 30, 2014	December 29, 2021
Interest Payment - Tranche 2 - Series 1/2010-11	14,568,720	February 21, 2015	February 20, 2022
Interest Payment - Tranche 3 - Series 1/2010-11	21,033,303	March 30, 2015	March 29, 2022
Interest Payment - Tranche 2 - Series 1/2011-12	35,004,972	March 21, 2015	March 21, 2022
Interest Payment - Tranche 3 - Series 1/2011-12	20,755,130	March 31, 2015	March 30, 2022

Dividends for and up to the financial year ended March 31, 2007 have already been transferred to IEPF. The unpaid dividend amount pertaining to FY08 will be transferred to IEPF during this year. Hence members who have not yet encashed their dividend warrant(s) pertaining to dividend for FY08 are requested to make their claims without any delay to IDFC / Registrar and Transfer Agent.

Pursuant to the applicable provisions of the Companies Act, 2013 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 with IEPF (i.e. with the Central Government). In other words, once the same is transferred to IEPF, no claims shall lie against the Company in respect thereof.

The status of dividend and interest remaining unclaimed is given in **Table 7A** and **Table 7B** respectively.

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 29, 2014 (date of last AGM) on the Company's website (www.idfc.com) and on MCA website.

SHARE TRANSFER SYSTEM

IDFC has appointed Karvy Computershare Private Limited 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 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 Clause.

As required by SEBI, Reconciliation of Share Capital Audit 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.

INVESTOR CORRESPONDENCE SHOULD BE ADDRESSED TO

Registrar and Share Transfer Agent

Karvy Computershare Pvt. Ltd.
(Unit: IDFC Limited)
Karvy Selenium Tower B,
Plot No. 31 & 32 Gachibowli,
Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032
Tel. No. +91- 40 - 67161500, 332 11 000
Fax No. + 91 - 40 - 2342 0814, 2300 1153
Toll Free No. 1800 - 345 - 4001
E-mail: einward.ris@karvy.com

The Company Secretary

IDFC Limited
Naman Chambers,
C-32, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel: +91 22 4222 2016
Fax: +91 22 2654 0354
E-mail: mahendra.shah@idfc.com
Website: www.idfc.com

Registered Office Address

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

DETAILS OF THE DEBENTURE TRUSTEE FOR DEBENTURES / BONDS ISSUED BY IDFC

IDBI Trusteeship Services Limited
Mr. Shivaji Gunware,
Sr. Vice President
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776
E-mail: sgunware@idbitrustee.com



CEO & CFO certificate

We, Vikram Limaye, Managing Director & Chief Executive Officer and Sunil Kakar, Chief Financial Officer, of IDFC Limited (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 controls 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.

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 have affirmed

compliance with the Code of Conduct for the current year.

VIKRAM LIMAYE
Managing Director & CEO

SUNIL KAKAR
Chief Financial Officer

Mumbai
April 24, 2015



auditors' certificate

TO THE MEMBERS OF IDFC LIMITED

We have examined the compliance of conditions of Corporate Governance by IDFC LIMITED (the "**Company**") for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us 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 the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future

viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Registration No.117366W/W-100018)

P. R. RAMESH

Partner
(Membership No.70928)

Mumbai
June 30, 2015



business responsibility report

PRINCIPLE 1

ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability At IDFC, ethics, transparency and responsible governance are deeply ingrained in our value systems. We ensure that there is complete transparency in all our disclosures and that our stakeholders are well aware of all the business decisions that might impact them. We are committed to conduct our business affairs with utmost integrity and follow the highest standards of professionalism and ethics.

PRINCIPLE 2

SUSTAINABILITY IN LIFE CYCLE OF PRODUCT

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle IDFC is conscious of the need for sustainable development in the country. We are committed to the cause of responsible investing. We have a dedicated Environment Risk Group (“ERG”) that works proactively with clients to identify and address any social / environmental concerns in the life cycle of the projects (construction and operation) financed by us. Our efforts in this direction set an example to the industry.

PRINCIPLE 3

EMPLOYEE WELL-BEING

Businesses should promote the well-being of all employees We recognize our employees as our most valuable asset. We constantly strive to provide all employees, opportunities for learning, professional growth and development. We have several policy initiatives in place to ensure the well-being of all our employees. We also have robust mechanisms in place to provide a workplace which is completely free of any discrimination and harassment.

PRINCIPLE 4

STAKEHOLDER ENGAGEMENT

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised IDFC has done a mapping of all its internal and external stakeholders. The Company also understands stakeholders’ priorities with respect to its operations and has developed suitable stakeholder engagement plans accordingly. Our employees, clients, investors, business partners and various regulatory bodies are among our most important stakeholders. IDFC works extensively with NGOs like SNEHA and MASOOM for health and education of under privileged sections of society. IDFC

Foundation, a not-for-profit wholly-owned subsidiary of IDFC, which carries out all of our CSR activities, including research and policy advocacy, programme management support to State Governments and capacity building also provides programme management support for the creation of livelihood opportunities (Meghalaya Basin Development Authority), increasing learning levels of children (Integrated Child Development Services, ICDS, Uttarakhand) and improving the efficacy of disaster rehabilitation programmes (Civil Society and Corporate Partnership for Action, CPACT, Uttarakhand).

PRINCIPLE 5

PROMOTION OF HUMAN RIGHTS

Businesses should respect and promote human rights IDFC is a signatory to the ten principles of the United Nations Global Compact, which underlines our commitment to promotion of human rights. All the aspects of human rights are considered thoroughly before taking any management decisions. We consciously promote awareness about human rights issues in our suppliers and such considerations are included in our “Major Suppliers’ Code of Responsible Business Conduct”.

The Securities and Exchange Board of India (“SEBI”) as per its circular dated August 13, 2012 has mandated the inclusion of a “Business Responsibility Report” (“BRR”) as part of a company’s Annual Report for top 100 listed entities based on market capitalisation at the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). The reporting framework is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (“NVGs)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles.

PRINCIPLE 6

ENVIRONMENTAL PROTECTION

Business should respect, protect and make efforts to restore the environment

IDFC considers the conservation of nature and natural resources to be of paramount importance. We constantly endeavour to minimize the environmental impact of our operations through measures aimed at resource efficiency and conservation. As part of its CSR activities, IDFC also provides programme management support for sustainable livelihood development and use of renewable energy in Meghalaya. IDFC has been tracking its carbon footprint annually since FY11 (disclosed on our website). We further recognize that the most significant impact we can make is through the projects we finance. To this effect, we work with our clients, helping them identify potential environmental issues and possible safeguards. IDFC became the first Indian Financial Institution to adopt Equator Principles (“EPs”) in June 2013. The EPs are a Risk Management framework, adopted by Financial Institutions, for determining, assessing and managing environmental and social risk in projects and are primarily intended to provide minimum standard for due diligence to support responsible risk decision making. We are also the first Indian Financial Institution to become a signatory to the UN-sponsored Principles for Responsible Investment for our fund initiatives.

PRINCIPLE 7

RESPONSIBLE PUBLIC POLICY ADVOCACY

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Another significant area where we are involved in active and responsible policy advocacy, is in sustainable infrastructure service delivery. Since inception, IDFC has played a pivotal role in advising governments at various levels on developing policy and regulatory frameworks that would enable sustainable growth and development of infrastructure in the country. We engage with our business partners, clients and regulators in this regard.

PRINCIPLE 8

INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Businesses should support inclusive growth and equitable development

Our mission is nation building and infrastructure development; nation building in true spirit is not possible without inclusive growth. We have set up a dedicated entity - IDFC Foundation. The focus areas of such activities include health, education, infrastructure development, affordable housing and livelihoods development.

PRINCIPLE 9

CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner

IDFC, as a responsible lender has worked with several clients over the year. We draw on this experience to help our clients mitigate any potential environmental and social risks associated with their projects. Our clients and communities at large, have benefitted immensely from our insights gained by working with project proponents - big and small - from several industry sectors.

SECTION A

GENERAL INFORMATION

1 CIN of the Company:

L65191TN1997PLC037415

2 Name of the Company:

IDFC Limited

3 Registered address:

KRM Tower, 8th Floor, No. 1, Harrington Road, Chetpet, Chennai 600 031, Tamil Nadu.

TEL +91 (44) 4564 4000

FAX +91 (44) 4564 4022

4 Website: www.idfc.com

5 E-mail id: mahendra.shah@idfc.com

6 Financial Year reported: 2014-15

7 Sector(s) that the Company is engaged in (industrial activity code-wise):

IDFC Limited holds a certificate of registration dated June 23, 2010 bearing reg. no. B-07-00718 issued by the Reserve Bank of India ("RBI") to carry on the activities of a Non-Banking Financial Company (IFC) under Section 45 IA of RBI Act, 1934

8 List three key products / services that the Company manufactures / provides (as in balance sheet)

IDFC Limited provides services in the following domain:

- Project Finance
- Fixed Income & Treasury

Following activities are carried out by our group companies:

- Investment Banking
- Securities & Investment Research
- Alternative asset management: Private Equity, Infrastructure Fund, Real Estate Fund
- Public market asset management: Mutual Fund

9 Total number of locations where business activity is undertaken by the Company

i. Number of International Locations

(Provide details of major 5)

IDFC Limited has no operations in international locations. However, our group companies have offices in Mauritius, Singapore and New York (USA).

ii. Number of National Locations

IDFC Limited has 4 offices in India, located at Chennai, Mumbai, Delhi and Bengaluru. Our group companies have 49 offices across the country.

10 Markets served by the Company: Local / State / National / International

- IDFC Limited serves national market only.
- Our subsidiaries serve international markets too (namely Mauritius, Singapore and USA).

SECTION B

FINANCIAL DETAILS

1 Paid-up Capital (₹ in crore)

IDFC Limited (Standalone) **1,592.78**
IDFC Group (Consolidated) **1,592.78**

2 Total Turnover (₹ in crore)

IDFC Limited (Standalone) **9,212.63**
IDFC Group (Consolidated) **9,722.47**

3 Total Profit after Taxes (₹ in crore)

IDFC Limited (Standalone) **1,685.49**
IDFC Group (Consolidated) **1,706.94**

4 Total Spending on Corporate Social Responsibility ("CSR") as authorised by the Board, as 2% of average three years Profit after tax: 2.76%

5 List of activities in which expenditure in 4 above has been incurred.

IDFC Foundation, being an implementing agency of IDFC Limited and its group companies, has primarily focused on the following activities promoting the development of:

- Livelihoods
- Rural area
- Social infrastructure such as healthcare and education; and
- Other infrastructure that would meet the objectives of inclusion and environment sustainability such as water supply, sanitation, sustainable urbanization, public transport systems, renewable energy, slum re-development and affordable housing.

SECTION C

OTHER DETAILS

1 Does the Company have any Subsidiary Company / Companies?

As on March 31, 2015, IDFC has following 16 subsidiary companies

1. Domestic direct / indirect Subsidiaries

- IDFC AMC Trustee Company Limited
- IDFC Asset Management Company Limited
- IDFC Finance Limited
- IDFC Investment Advisors Limited
- IDFC Alternatives Limited
- IDFC Projects Limited
- IDFC Securities Limited
- IDFC Trustee Company Limited
- IDFC Foundation (Section 8 Company)
- IDFC Infra Debt Fund Limited
- IDFC Bank Limited
- IDFC Financial Holding Company Limited

2. Foreign Subsidiaries

- IDFC Securities Singapore Pte. Ltd
- IDFC Capital (USA) Inc.
- IDFC Investment Managers (Mauritius) Limited
- IDFC Capital (Singapore) Pte. Ltd

2 Do the Subsidiary Company / Companies participate in the Business Responsibility ("BR") Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

BR initiatives of the parent company are also participated by the subsidiaries.

3 Do any other entity / entities (e.g. suppliers, distributors, implementing partners etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] * YES

There are various entities that IDFC does business which take part in our BR initiatives.

Majority of our BR initiatives are driven through IDFC Foundation. We engage with our business associates, implementing partners and also clients to carry out our BR related initiatives. Given the nature of our operations, we have a limited scope of such interventions but we continue to look for opportunities and conduct our operations responsibly. Entities participating in the Company's BR activities constitute more than 60%.

SECTION D

BUSINESS RESPONSIBILITY INFORMATION

1 Details of Director / Directors responsible for BR

a. Details of the Director / Directors responsible for implementation of the BR policy / policies

Implementation of BR policies is the responsibility of the Chairman of the Board
DIN Number: 00131782

Name: Dr. Rajiv B. Lall

Designation: Executive Chairman

b. Details of the BR head

DIN Number: Not Applicable (N.A.)

Name: Mr. Animesh Kumar

Designation: Group Head - Human Resources & Corporate Services

Telephone number: 022 4222 2000

E-mail id: animesh.kumar@idfc.com

2 Principle-wise (as per NVGs) BR Policy / policies

2.1 Do you have a policy / policies for:

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY * YES

IDFC Code of Conduct and Whistle Blower Policy through Vigil Mechanism

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT * YES

Environment & Social Policy

P3 EMPLOYEE WELL-BEING * YES

- Equal Opportunity and Diversity
- Anti-Sexual Harassment Policy
- Joining Formalities
- Employee Welfare
- Employee Healthcare
- Secondment Policy
- Learning & Development
- Leave Policy

P4 STAKEHOLDER ENGAGEMENT * YES

- IDFC Code of Conduct
- Corporate Social Responsibility Policy
- Fair Practices Code

P5 PROMOTION OF HUMAN RIGHTS * YES

- Whistle Blower Policy
- Equal Opportunity and Diversity
- Anti-Sexual Harassment Policy

P6 ENVIRONMENTAL PROTECTION * YES

- Corporate Social Responsibility Policy
- Environment and Social ("E&S") Policy

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY * NO

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT * YES

Corporate Social Responsibility Policy

P9 CUSTOMER VALUE * YES

E&S Policy

2.2 Has the policy been developed in consultation with relevant stakeholders?

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY * YES

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT * YES

P3 EMPLOYEE WELL-BEING * YES

P4 STAKEHOLDER ENGAGEMENT * YES

P5 PROMOTION OF HUMAN RIGHTS * YES

P6 ENVIRONMENTAL PROTECTION * YES

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY * N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT * YES

P9 CUSTOMER VALUE * NO

2.3 Does the policy conform to any national / international standards?

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY * YES

The Code of Conduct is based on the 10 principles of the United Nations Global Compact ("UNGC") (IDFC is one of the signatory to the UNGC principles)

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT * YES

IDFC has aligned its E&S policy and framework to IFC performance standards,

operational policies and EHS guidelines of World Bank and E&S safeguards guidelines of Asian Development Bank and also conform to the national regulatory framework on environmental management and social impact assessment.

P3 EMPLOYEE WELL-BEING * YES

The 10 principles of the UNGC

P4 STAKEHOLDER ENGAGEMENT * NO

P5 PROMOTION OF HUMAN RIGHTS * YES

The 10 principles of the UNGC

P6 ENVIRONMENTAL PROTECTION * YES

IDFC is an Equator Principles Financial Institution (EPFI). IDFC has aligned its E&S policy and framework to Equator Principles which follows IFC performance standards, operational policies and EHS guidelines of World Bank. IDFC's Environment Policy also conform to the national regulatory framework on environmental management and social impact assessment.

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY * N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT * NO

P9 CUSTOMER VALUE * YES

IDFC is a signatory to EPs. The EPs being a risk management framework applicable to project finance transactions, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is based on IFC Performance Standards.

2.4 Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?

P1 ETHICS, TRANSPARENCY &

ACCOUNTABILITY * YES

MD & CEO

P2 SUSTAINABILITY IN LIFE CYCLE OF

PRODUCT * YES

MD & CEO

P3 EMPLOYEE WELL-BEING ▪ YES

MD & CEO

P4 STAKEHOLDER ENGAGEMENT ▪ YES

MD & CEO

P5 PROMOTION OF HUMAN RIGHTS ▪ YES

MD & CEO

P6 ENVIRONMENTAL PROTECTION ▪ YES

MD & CEO

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY ▪ N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE

DEVELOPMENT ▪ YES

MD & CEO

P9 CUSTOMER VALUE ▪ YES

MD & CEO

2.5 Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY ▪ YES

The Audit Committee oversees the implementation of the Whistle Blower Policy through Vigil Mechanism; implementation of Code of Conduct is overseen by the Operations Committee & Management Committee.

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT ▪ YES

Chief Risk Officer is a Member of the Management Committee. E&S Risk related issues are reported to the Risk Committee on a quarterly basis.

P3 EMPLOYEE WELL-BEING ▪ YES

Operations Committee & Management Committee

P4 STAKEHOLDER ENGAGEMENT ▪ YES

Operations Committee & Management Committee

P5 PROMOTION OF HUMAN RIGHTS ▪ YES

Operations Committee & Management Committee

P6 ENVIRONMENTAL PROTECTION ▪ YES

Management Committee (Chief Risk Officer)

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY ▪ N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE

DEVELOPMENT ▪ YES

Operations Committee & Management Committee

P9 CUSTOMER VALUE ▪ YES

Management Committee (Chief Risk Officer)

2.6 Web-link for the policy

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY ▪ YES

Code of Conduct: http://www.idfc.com/pdf/code_of_conduct.pdf

Whistle Blower policy: http://www.idfc.com/pdf/whistle_blower_policy.pdf

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT ▪ YES

E&S Policy: http://www.idfc.com/our-firm/environment_and_social_policy.htm

P3 EMPLOYEE WELL-BEING ▪ YES

All policies listed for this section are on our internal portal.

P4 STAKEHOLDER ENGAGEMENT ▪ PARTIAL

Fair Practices Code: <http://www.idfc.com/pdf/fairPracticeCode.pdf>

CSR Policy: <http://www.idfc.com/pdf/csr-policy.pdf>

The web-link to Code of Conduct has been provided above;

P5 PROMOTION OF HUMAN RIGHTS ▪ YES

The Web-link for Whistle Blower Policy has been provided above; other policies are available on our internal portal.

P6 ENVIRONMENTAL PROTECTION ▪ YES

E&S Policy: http://www.idfc.com/our-firm/environment_and_social_policy.htm

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY ▪ N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT ▪ YES

CSR Policy: <http://www.idfc.com/pdf/csr-policy.pdf>

P9 CUSTOMER VALUE ▪ YES

Equator Principles: <http://www.idfc.com/pop.html>.

2.7 Has the policy been communicated to the relevant internal and external stakeholders?

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY ▪ YES

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT ▪ YES

P3 EMPLOYEE WELL-BEING ▪ YES

P4 STAKEHOLDER ENGAGEMENT ▪ YES

P5 PROMOTION OF HUMAN RIGHTS ▪ YES

P6 ENVIRONMENTAL PROTECTION ▪ YES

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY ▪ N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT ▪ YES

P9 CUSTOMER VALUE ▪ YES

2.8 Does the Company have an in-house structure to implement the policy?

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY ▪ YES

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT ▪ YES

P3 EMPLOYEE WELL-BEING ▪ YES

P4 STAKEHOLDER ENGAGEMENT ▪ YES

P5 PROMOTION OF HUMAN RIGHTS ▪ YES

P6 ENVIRONMENTAL PROTECTION ▪ YES

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY ▪ N.A.

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT ▪ YES

P9 CUSTOMER VALUE ▪ YES

2.9 Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholder's grievances related to the policy / policies?

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY **YES**

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT **NO**

P3 EMPLOYEE WELL-BEING **YES**

P4 STAKEHOLDER ENGAGEMENT **YES**

P5 PROMOTION OF HUMAN RIGHTS **YES**

P6 ENVIRONMENTAL PROTECTION **NO**

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY **N.A.**

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT **NO**

P9 CUSTOMER VALUE **NO**

2.10 Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?

P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY **NO**

The Company is setting up a system for independent audit of the implementation of the Code of Conduct and Whistle Blower Policy.

P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT **NO**

The Company is setting up a system for conducting audits of our E&S policy.

P3 EMPLOYEE WELL-BEING **YES**

All our Human Resources related policies undergo regular audits. An internal audit is conducted for effectiveness of the policies and the related processes & an external audit is conducted for the execution of the said policies. Both internal and external audits are conducted once every six months.

P4 STAKEHOLDER ENGAGEMENT **NO**

The Company is setting up a system for

conducting audits of policies listed for this principle.

P5 PROMOTION OF HUMAN RIGHTS **YES**

Only HR related policies undergo audits, details of which have been given above.

P6 ENVIRONMENTAL PROTECTION **NO**

The Company is setting up a system for conducting audits of our E&S and CSR policies.

P7 RESPONSIBLE PUBLIC POLICY

ADVOCACY **N.A.**

P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT **NO**

The Company is setting up a system for conducting audits of its CSR policy.

P9 CUSTOMER VALUE **NO**

The Company is setting up a system for conducting audits of its E&S policy.

2A If answer to S. No. 1 against any principle, is 'No', please explain why (Tick up to 2 options)

1. The Company has not understood the Principles. **N.A.**
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles. **N.A.**
3. The Company does not have financial or manpower resources available for the task. **N.A.**
4. It is planned to be done within next 6 Months. **N.A.**
5. It is planned to be done within the next 1 year. **YES**
6. Any other reason (please specify):
Currently, IDFC does not have any policies for Principle 7; the Company already has taken several initiatives in the field of responsible lending and actively engages with clients, regulators, lenders and other

business partners. The Company also publishes the 'India Infrastructure Report' with specific insights. Hence, the need for a separate policy on public policy advocacy has not been felt. If necessity arises, a specific policy will be developed in the future.

3 Governance related to Business Responsibility

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
The Company reviews its BR performance annually.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Company publishes BR Report annually which is available on the website www.idfc.com/investor_relations/annual_report.htm

PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

ETHICS, TRANSPARENCY & ACCOUNTABILITY

1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

IDFC has developed its Code of Conduct and Whistle Blower Policy which pertain to ethics, bribery and corruption. The Code of Conduct and the Whistle Blower policy are applicable to IDFC and our group companies. Furthermore, all our major suppliers are also required to agree to conform to the Code of Responsible Business Conduct (which covers ethical business practices) for the duration of their contract with IDFC.

2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

There were no stakeholder complaints received in the reporting period with regard to ethics, bribery and corruption.

PRINCIPLE 2

SUSTAINABILITY IN LIFE CYCLE OF PRODUCT

1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Our Project Finance business incorporates social and environmental concerns in its lending operations. IDFC is a signatory to EPs. EPs are a Financial Industries Benchmark for determining, assessing and managing environmental and social risk in Project

Finance transactions. Environmental and Social Due Diligence (“ESDD”) is undertaken for the project finance deals at the time of project appraisal. Annual Environmental and Social Monitoring and Review (“ESMR”) a review is undertaken for portfolio projects as per EPs requirements to identify and mitigate E&S risks (if any). Other group companies (e.g. private equity) also conduct ESDD and annual ESMR depending upon the sector and project contours and associated E&S risks.

2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

- i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? ▪ N.A.
- ii. Reduction during usage by consumers(energy, water) has been achieved since the previous year? ▪ N.A.

3 Does the Company have procedures in place for sustainable sourcing (including transportation)? If Yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

IDFC, being a Financial Institution, is relatively less resource intensive in terms of material inputs. Our major material requirements are office, communications and IT related equipments. Despite the limited scope of our procurement needs, we continue to take initiatives to ensure responsible sourcing in our supply chain. We have a Code of Responsible Business Conduct for our major suppliers, which outlines our expectations from them in the areas of labour standards, environment and ethical business practices. It would not be possible to ascertain the percentage of inputs that are sourced sustainably.

4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We prefer locally available goods and services, other considerations being comparable. We have taken several initiatives for the development of local suppliers of goods and services. Some of the examples are:

- We have empanelled a courier agency operated by physically challenged people;
- We undertake regular trainings to upgrade skills of our housekeeping and security staff;
- In a recent renovation project at our Delhi office, all efforts were taken to source goods from local suppliers.

5 Does the Company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (as <5%, 5–10%, > 10%)?

We have adopted an e-waste Management Policy with the specific aim of minimising and responsible disposal of the entire quantum of e-waste generated throughout our operations. This policy has been formulated keeping in mind some of the international best practices and ensures compliance with local environmental laws. Additionally, all recyclable waste collected at our premises are separated (dry and wet waste); the waste is then handed over to an authorised waste processor. We recycle more than 10% of total waste generated from of our operations.

PRINCIPLE 3 EMPLOYEE WELL-BEING

1 Please indicate the total number of employees

Permanent Employees: 881
IDFC Limited – 529
IDFC Group – 352 (other than IDFC Limited)

2 Please indicate the total number of employees hired on temporary / contractual / casual basis

Temporary / Contractual / Casual Employees – 282

Contractual employees handle work related to Finance, Operations and Administration; these are commonly referred to as Shared Services. It would not be possible to ascertain the number of such employees working for IDFC Limited and other group entities (figures provided above correspond to the number of contracted employees working for whole of IDFC group).

3 Please indicate the number of permanent women employees

Women employees: 219
IDFC Limited – 132
IDFC Group – 87 (other than IDFC Limited)

4 Please indicate the number of permanent employees with disabilities

IDFC Limited – 1
IDFC Group – 1 (other than IDFC Limited)

5 Do you have an employee association that is recognised by management?

No, The Company does not have any employee associations.

6 What percentage of your permanent employee(s) is a member(s) of this recognised employee association? * N.A.

7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

1. Child labour / forced labour / involuntary labour * NIL
2. Sexual harassment * NIL
3. Discriminatory employment * NIL

8 What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Permanent Employees: 55%
Permanent Women Employees: 40%
Casual / Temporary/Contractual Employees: 0%
Employees with disabilities: 100%

NOTE: Safety related trainings were provided to all employees w.r.t. fire and building safety. Fire safety drills were also conducted as per applicable regulations at our office locations.

PRINCIPLE 4 STAKEHOLDER ENGAGEMENT

1 Has the Company mapped its internal and external stakeholders? Yes / No

YES IDFC has mapped its internal and external stakeholders. We recognise employees, business associates (network of suppliers and vendors), clients, NGOs, communities, Shareholders / investors, regulatory authorities and other Government bodies and intermediaries as our key stakeholders.

2 Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

YES IDFC identifies communities at the bottom of the pyramid as the disadvantaged, vulnerable & marginalised stakeholders.

In our engagements with this category of stakeholders, we lay special emphasis on rural unemployed in the youth. We contribute to enhancing the employability of the youth, leading to income generation and economic empowerment in this marginalised section of the community.

3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

YES IDFC regularly undertakes initiatives to engage with its internal and external stakeholders. These are briefly described below.

Employees Stakeholder group

- We have processes in place to ensure upholding of the rights of our employees and protect them against any form of discrimination.
- We conduct regular learning and development activities for our employees for their skill enhancement.

Communities Stakeholder group

IDFC, through IDFC Foundation, undertakes various CSR initiatives with primary focus in the areas of education and healthcare. We support and collaborate with various agencies to carry out our CSR activities aimed at inclusive growth.

Business associates Stakeholder group

- We conduct dedicated capacity building programs for local and small vendors.
- Our Code of Responsible Business Conduct for our major suppliers encourages them to carry out their operations with a focus on labour standards, environment and ethical business practices.

Shareholders / Investors Stakeholder group

We have robust mechanisms in place which ensure full, fair, accurate, timely

and understandable disclosure to all our Shareholders and Investors.

Clients Stakeholder group

Our Fair Practices Code specifies the ethical principles to be followed in all our services, products and client interactions and also provides for a grievance redressal mechanism to our clients.

PRINCIPLE 5 PROMOTION OF HUMAN RIGHTS

1 Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

IDFC is a signatory to UNGC since 2001. All our business operations are guided by a set of principles outlined in UNGC and this include principles on human rights as well. This is applicable to all our group companies and service providers.

2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no stakeholder complaints in the reporting period pertaining to human rights.

PRINCIPLE 6 ENVIRONMENTAL PROTECTION

1 Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

Our policy pertaining to environmental protection is applicable to all our group companies. Furthermore, clients (project finance) are required to be compliant to our E&S policy in their operations.

2 Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If Yes, please give hyperlink for web page etc.

YES IDFC as one of the leading and responsible organisation, has undertaken several initiatives to minimise its environmental impact. The details of which can be found in our website http://www.idfc.com/our-firm/environment_management.htm

3 Does the Company identify and assess potential environmental risks? Y / N

YES IDFC identifies and assesses potential environmental and social risks in all the infrastructure investments made. IDFC has been in the forefront of integrating environmental risk assessment and mitigation into its overall investment risk assessment process. Each investment proposal that we receive is categorised based on its environmental and social impact into environmental category A (high impact), B (medium to moderate impact) and C (low impact) depending upon degree of the impact. We have a detailed E&S risk management framework and process in place which provides guidelines for various stages of project appraisal process. As part of the project appraisal, a detailed Environmental and Social Due diligence is carried out that includes site visits, secondary information collection and analysis, review of applicable compliances and consents, E&S performance of the project on E&S mitigation and regulatory compliance. An annual Environmental and Social Review and Monitoring through site visits, secondary data collection and periodic desk reviews ensure robust supervision of portfolio projects and mitigation of any emerging E&S risks.

4 Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed? * N.A.

5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If Yes, please give hyperlink for web page etc.

We have (internal) Environment Policy which was adopted under the “Go Green” initiative with the objective of minimizing resource consumption and reducing environmental impact of our internal operations through resource efficiency and conservation. Some of the initiatives we have undertaken are as follows:

- Energy efficient certification for our central data centre;
- LEED “Gold” certification for our registered office at Chennai;
- We have been doing carbon footprint assessment of our operations since 2011 with the aim of becoming a carbon neutral organisation in future;
- Various energy conservation measures have been undertaken at our major office premises including use of double glazed windows, use of recycled material, green IT, use of renewable source of energy etc.;
- We have also taken several measures to minimise our environmental impact due to business travel. These measures include car pooling, company bus service, video / audio conferencing facilities at all our major offices and using green fleet air lines for our business travel;
- We have installed sewage treatment plant at our Naman Chambers Office (Mumbai) to recycle sewage water and we are also in the process of installing a rain water harvesting system in the same office.

6 Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported? * N.A.

7 Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. * N.A.

PRINCIPLE 7 RESPONSIBLE PUBLIC POLICY ADVOCACY

1 Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with

IDFC is an active member of several trade bodies and associations. Some of the major ones are listed below:

- Indian Bank's Association
- ASSOCHAM
- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce and Industry
- Bombay Chamber of Commerce & Industry
- Indian Merchants Chamber
- Bombay Management Association
- Asia Society India Centre
- Association of Business Communicators of India
- Indo-American Chamber of Commerce
- World Economic Forum

2 Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if Yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We provide thought leadership and advocacy in areas of infrastructure policy and governance, with a thrust on sustainable infrastructure. Climate change, urban,

water, education, land acquisition are some of the pressing issues that IDFC focuses on and also advocates through its policy advocacy initiatives. IDFC is actively working with Government agencies, other financial institutions and industry associations like CII and FICCI on formulating innovative financing mechanism to attract private sector investment in the low carbon sector. IDFC has been part of the Committee for reforms on Infrastructure financing and reforms on roads and railways.

PRINCIPLE 8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1 Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If Yes details thereof.

Meghalaya Basin Development Authority ("MBDA")

IDFC Foundation has been a strategic partner of the Meghalaya Basin Development Authority, Government of Meghalaya, for the Integrated Basin Development and Livelihood Promotion (IBDLP) Programme, supporting at a "no-cost basis". The aim of the programme is to provide programme support in creating sustainable initiatives across the various IBDLP missions, encompassing energy mission, improving market access, water mission, infrastructure development, enterprise promotion and knowledge management, horticulture mission and post harvest management. This is expected to create a culture of entrepreneurship in the state and help improve the quality of life for communities, through cooperation and policy dialogue among various stakeholders. In addition to providing programme support to MBDA, IDFC Foundation has utilized some of the IDFC CSR funds to provide solar street lights to the community of Mawlynnong village. Mawlynnong was named "Asia's cleanest

village" by India Discovery Magazine in 2003 and a large number of tourists visit this village, but so far sight-seeing and experiencing the natural beauty of Mawlynnong remained a day time activity. Now, with the Solar Street Lights and lighting up of public spaces, tourists would be encouraged to spend the night in the village to experience the local culture, which would significantly improve the livelihood of the villagers.

Delhi Urban Shelter Improvement Board ("DUSIB")

The Foundation successfully provided programme support under its Memorandum of Cooperation with the Delhi Urban Shelter Improvement Board (DUSIB), Government of Delhi, for developing projects for the urban poor under a public-private partnership (PPP) framework. Support was provided for development of PPP frameworks in three key areas, namely (i) In-situ redevelopment of slum clusters, (ii) Effective and efficient operation and management of night shelters presently operated by DUSIB, and (iii) Installation and operation of bio-digester technology based mobile toilets vans (MTVs) in slums.

Masoom

IDFC Foundation has been supporting Masoom, an NGO, to implement the "Night School Transformation Programme" and working towards improving education in night schools. The support extended by IDFC Foundation has been able improve Masoom's organizational system and programme delivery. IDFC Foundation also connected Masoom to the Foodbanking Network, which has facilitated the programme to be more inclusive and sustainable.

Society for Nutrition, Education and Health Action ("SNEHA")

IDFC Foundation has been supporting SNEHA through grants and capacity building for its "Maternal & Newborn Health Beyond Boundaries" programme. Under the

programme referral systems are established between lower and higher healthcare facilities for safe delivery, which has significantly benefited both pregnant women with normal conditions and those with high risk and emergency conditions. SNEHA is an NGO which enables the delivery of health services and nutrition care to urban under privileged populations in slums of Mumbai through extension and improvement of existing public health systems positively impacting population health & morbidity with a special focus on women and children.

Integrated Child Development Services ("ICDS") in Uttarakhand

IDFC foundation is implementing a pilot project in Early Childhood Care and Education ("ECCE") across 6,000 Anganwadi Centers in five districts of Uttarakhand (Dehradun, Haridwar, Udham Singh Nagar, Tehri-Garhwal & Nainital). This project seeks to improve the learning levels of children, build capacities of Anganwadi workers in using newer learning systems and increase community involvement in early childhood development.

Civil Society and Corporate Partnership for Action ("CPACT")

IDFC Foundation assisted the Government of Uttarakhand, by providing coordination support for the rehabilitation and reconstruction efforts of various agencies in the wake of the Himalayan flash floods that hit various parts of Uttarakhand in 2013. This helped facilitate faster relief to the affected communities.

Learning Outcome Improvement Programme in Alwar, Rajasthan

The primary education improvement programme for "Improving Learning Outcomes in 60 Government Primary Schools in Ramgarh and Kishangarh blocks of Alwar District of Rajasthan" was successfully launched in 2014 in partnership with the Alwar district administration. The programme

has successfully completed the first six-month work period (October 14 – March 15) and is expected to demonstrate notable improvements in the learning environment at the target schools and the learning levels of students by the end of September 2015. Four broad result areas are being targeted as part of the programme:

- i. Improvement in teaching-learning processes through the use of effective pedagogic tools
- ii. Development of leadership skills among students through extra-curricular activities,
- iii. Improvement in overall school management through strengthening of School Management Committees (SMCs)
- iv. Improvement in the physical environment of the schools

Pipal Tree Ventures ("PTV")

IDFC has invested in PTV to address the skill gap in the construction industry. PTV is providing vocational training to unemployed youths in the rural area. It trains and provides livelihood to poor unemployed rural youth in India, which in turn would help economic development of the country.

Ziqitza Health Care Limited ("ZHL")

IDFC has invested in ZHL to save human lives by providing emergency medical response services (Ambulances). ZHL provides its services across 17 states in India.

Carbon Footprint

Carbon footprint is a measure of the impact that any organisation's activities have on the environment and in particular climate change. It is expressed in tonnes of carbon dioxide (CO₂) emitted equivalent (tCO₂e) and is reported under three categories:

Scope 1 Emissions from company owned or operated GHG sources

Scope 2 Emissions from assets owned by others but energy is bought by the Company

Scope 3 Emissions other than Scope 2 that are a consequence of an organisation's

01 Carbon Footprint

	FY 15	FY 14	VARIATION
Total tCO ₂ e	8,843	8,284	6.75% ↑
Total tCO ₂ e / op. income (in ₹ crore)	2.18	2.22	2.01% ↓
Total tCO ₂ e / PAT (in ₹ crore)	5.18	4.59	12.86% ↑

activities, but arise from greenhouse gas sources controlled by other organisations (non mandatory reporting).

IDFC is committed to building a sustainable future, and, therefore, is focused on reducing the carbon intensity of its operations. It will use ratios (tCO₂e / Operating Income & tCO₂e / PAT) to measure the incremental emissions for every rupee of revenue generated and profit generated respectively and will endeavour in increasing its resource use efficiency in each succeeding year.

IDFC has been assessing its carbon footprint from its operations since 2011 with the aim of becoming a carbon neutral organization in future. IDFC's Carbon footprint assessment for FY15 has been verified by SGS India Private Limited. In accordance with ISO-14064-3:2006 as meeting the requirements of ISO-14064-1:2006 - Specification with guidance at organization level for quantification and reporting of greenhouse gas emissions and removals & WRI/WBCSD Greenhouse Gas Protocol – A corporate Accounting and Reporting Structure. The carbon footprint for IDFC in FY15 is as given in **Table 1**.

The higher value of the overall GHG emissions is due to the increased growth and business of IDFC. However, energy conservation measures have been undertaken at our various office premises, which includes use of double glazed windows, minimum use of paper printings, use of recycled material, green IT, use of video conferencing to avoid air travel, e-forms for applying in mutual fund investments, e-statements for mutual fund investors, e-annual reports etc. in order to reduce our carbon footprint.

2 Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organisation?

IDFC Foundation, a not-for-profit company within the meaning of Section 8 of the Companies Act, 2013 (erstwhile Section

25 of the Companies Act, 1956) and 100% subsidiary of IDFC, is acting as an implementing agency on behalf of IDFC Limited and its group companies to undertake corporate social responsibility (“CSR”) activities adopted by the CSR committee of IDFC and its group companies under Section 135 of the Companies Act, 2013 read with Schedule VII as amended from time to time. The approach adopted by IDFC Foundation is to enhance income flows of households through livelihoods inputs and market linkages and helping to governmental and non-governmental organizations in delivering a better service to the community. IDFC Foundation provides capacity building support (training, organisation structuring etc.), programme design and management support in the areas of education, health, affordable housing and livelihood development, or direct financial support, depending upon the requirement of the project / programme.

3 Have you done any impact assessment of your initiative?

IDFC Foundation has a system of reviewing of all its initiatives wherein the progress of each initiative is evaluated along with its impact on the touch points. The desired objectives (performance parameters) of the initiatives are generally stated at the commencement stage of the initiative and reviewed periodically and course correction measures are taken, if required.

4 What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken? * N.A.

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

In implementing its initiatives, IDFC Foundation undertakes a considerable amount of capacity building of the partner organisations in order

to ensure the quality and sustainability of outcomes.

PRINCIPLE 9 CUSTOMER VALUE

1 What percentage of customer complaints / consumer cases are pending as on the end of financial year.

All the customer complaints that were received in the reporting period have been resolved and there are no complaints pending as at the end of financial year.

2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information) * N.A.

3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?

There are no cases filed / pending as at the end of financial year 2014–15

4 Did your Company carry out any consumer survey / consumer satisfaction trends?

IDFC periodically measures the satisfaction among its customers, understand their expectation and essentially to gauge our competitiveness in the industry.

APPENDIX

PRINCIPLE 1

ETHICS, TRANSPARENCY & ACCOUNTABILITY

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain. Businesses should communicate transparently and assure access to information about their decisions that impact relevant stakeholders.
- Businesses should not engage in practices that are abusive, corrupt or anti-competition.
- Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures.
- Businesses should report on the status of their adoption of these Guidelines as suggested in the reporting framework in this document.
- Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines

PRINCIPLE 2

SUSTAINABILITY IN LIFE CYCLE OF PRODUCT

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- Businesses should assure safety and optimal resource use over the life cycle of the product – from design to disposal – and ensure that everyone connected with it- designers, producers, value chain members, customers and recyclers are aware of their responsibilities.

- Businesses should raise the consumer's awareness of their rights through education, product labeling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
- In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
- Businesses should regularly review and improve upon the process of new technology development, deployment and commercialisation, incorporating social, ethical and environmental considerations.
- Businesses should recognise and respect the rights of people who may be owners of traditional knowledge and other forms of intellectual property.
- Businesses should recognise that over-consumption results in unsustainable exploitation of our planet's resources and should therefore promote sustainable consumption, including recycling of resources.

PRINCIPLE 3

EMPLOYEE WELL-BEING

Businesses should promote the well-being of all employees

- Businesses should respect the right to freedom of association, participation, collective bargaining and provide access to appropriate grievance redressal mechanisms.
- Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.

- Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- Businesses should take cognizance of the work-life balance of its employees, especially that of women.
- Businesses should provide facilities for the well-being of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- Businesses should provide a workplace environment that is safe, hygienic humane and which upholds the dignity of the employees. Businesses should communicate this provision to their employees and train them on a regular basis.
- Businesses should ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote employee morale and career development through enlightened human resource interventions.
- Businesses should create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

PRINCIPLE 4

STAKEHOLDER ENGAGEMENT

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

- Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement and commit to engaging with them.

- Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- Businesses should give special attention to stakeholders in areas that are underdeveloped.
- Businesses should resolve differences with stakeholders in a just, fair and equitable manner.

PRINCIPLE 5

PROMOTION OF HUMAN RIGHTS

Businesses should respect and promote human rights

- Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
- Businesses should integrate respect for human rights in management systems, in particular through assessing and
 - managing human rights impacts of operations and ensuring all individuals impacted by the business have access to grievance mechanisms.
- Businesses should recognise and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalised groups.
- Businesses should, within their sphere of influence, promote the awareness and realisation of human rights across their value chain.
- Businesses should not be complicit with human rights abuses by a third party.

PRINCIPLE 6

ENVIRONMENTAL PROTECTION

Business should respect, protect and make efforts to restore the environment

- Businesses should utilise natural and man-made resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
- Businesses should ensure that benefits arising out of access and commercialisation of biological and other natural resources and associated traditional knowledge are shared equitably.
- Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- Businesses should develop Environment Management Systems (“EMS”) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
- Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
- Businesses should proactively persuade and support its value chain to adopt this principle.

PRINCIPLE 7

RESPONSIBLE PUBLIC POLICY ADVOCACY

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- Businesses, while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the Principles and Core Elements contained in these Guidelines.
- To the extent possible, businesses should utilise the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

PRINCIPLE 8

INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Businesses should support inclusive growth and equitable development

- Businesses should understand their impact on social and economic development and respond through appropriate action to minimise the negative impacts.
- Businesses should innovate and invest in products, technologies and processes that promote the well-being of society.
- Businesses should make efforts to complement and support the development priorities at local and national levels and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
- Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.

PRINCIPLE 9

CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner

- Businesses, while serving the needs of their customers, should take into account the overall well-being of the customers and that of society.
- Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
- Businesses should disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.
- Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
- Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- Businesses should provide adequate grievance handling mechanisms to address customer concerns and feedback.

Independent Auditors' Report

TO THE BOARD OF DIRECTORS 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 March 31, 2015, 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 including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 auditor's 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹ 457.65 crore as at March 31, 2015, total revenues of ₹ 319.37 crore and net cash flows amounting to ₹ 46.21 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 ₹ 2.20 crore for the year ended March 31, 2015, as considered in the Consolidated Financial Statements, in respect of two Associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and Associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and Associates, is based solely on the reports of the other auditors.
- b) The Consolidated Financial Statements also include the Group's share of loss of ₹ 24.33 crore for the year ended March 31, 2015, as considered in the Consolidated Financial Statements, in respect of one Associate, whose financial statements have not been audited by us. These financial statements/ financial information 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 this Associate, and our report in

Independent Auditor's Report

terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid Associate, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information 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/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary companies and Associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015 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 companies incorporated in India, none of the directors of the Group companies and its Associate companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 38 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its Subsidiary companies and Associate companies incorporated in India.

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Registration No. 117366W/W-100018)

P. R. RAMESH

Partner
(Membership No. 70928)

Mumbai, April 30, 2015

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

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

Our reporting on the Order does not include five subsidiary companies to which the Order is not applicable but includes three subsidiary companies and two Associate companies, incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the Consolidated Financial Statements. In respect of one Associate company incorporated in India, which has been included in the consolidated financial statements based on unaudited financial statements/ financial information of such entity provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of this entity, since this entity is unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

- i. In respect of the fixed assets of the Holding Company, Subsidiary companies and Associate companies incorporated in India:
 - a. The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Holding Company, Subsidiary companies and Associate companies incorporated in India have a program of verification of fixed assets to cover all the items in a phased manner over a period of 1 to 3 years which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- ii. According to the information and explanations given to us, the nature of business of the Holding Company, Subsidiary companies and Associate companies incorporated in India is such that it is not required to hold any inventories. Therefore, the provisions of paragraph 3(ii) of the Order are not applicable to the Group.
- iii. As per the information and explanations given to us and other auditors, the Holding Company, Subsidiary companies and Associate companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities. However, one Associate company has granted loans, to the extent included in the consolidated financial statements.
- iv. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, Subsidiary companies and Associate companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for purchase of fixed assets and for the sale of services and during the course of our and the other auditors audit no major weaknesses in such internal control system has been observed.
- v. According to the information and explanations given to us, the Holding Company, Subsidiary companies and Associate companies incorporated in India have not accepted any deposit during the year.
- vi. The provisions of clause (3)(vi) of the Order are not applicable to the Holding Company, Subsidiary companies and Associate companies incorporated in India as the services rendered by them are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- vii. According to the information and explanations given to us, in respect of statutory dues of the Holding Company, Subsidiary companies and Associate companies incorporated in India:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) Details of dues of tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

NAME OF STATUTE	NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	PERIOD TO WHICH THE AMOUNT RELATES	AMOUNT INVOLVED (₹ IN CRORE)
Holding Company				
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2009-10	25.83
Subsidiary Companies				
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 1997-98	0.01
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 1998-99	0.01
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 1999-00	0.01
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 2007-08	0.01
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 2008-09	0.10
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 2009-10	0.13
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 2010-11	0.29
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 2011-12	2.43
Income Tax Act, 1961	Income Tax	Income Tax Officer	A.Y. 2012-13	0.01

NAME OF STATUTE	NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	PERIOD TO WHICH THE AMOUNT RELATES	AMOUNT INVOLVED (₹ IN CRORE)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2012-13	3.27
Income Tax Act, 1961	Income Tax	High Court	A.Y. 2008-09	0.92
Income Tax Act, 1961	Income Tax demand payable	Commissioner of Income Tax (Appeals)	A.Y. 2010-11	0.08
			A.Y. 2012-13	0.09
Income Tax Act, 1961	Income Tax Demand Payable on PTC trust in which the Company was one of the beneficiaries	Income Tax Appellate Tribunal	A.Y. 2009-10	3.03
			A.Y. 2010-11	0.30
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeals	A.Y. 2012-13	0.02
Service Tax	Service Tax Notice to Show Cause Cum Demand	Commissioner of Service Tax	F.Y. 2009-11	0.04
Service Tax	Service Tax Notice to Show Cause	Commissioner of Service Tax	F.Y. 2012-13	0.09
Service Tax	Service Tax	Commissioner of Service Tax	For the period July 2012 - March 2013	1.06
Service Tax	Service Tax	Commissioner of Service Tax	F.Y. 2013-14	1.43
Service Tax	Service Tax	Commissioner of Service Tax	For the period April 2009 - February 2010	0.19
Associate Companies				
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2011-12	0.01
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2012-13	0.21

- (d) The aforesaid entities have been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- viii. The Group and its Associates does not have consolidated accumulated losses at the end of the financial year and the Group and its Associates have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, Subsidiary companies and Associate companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- x. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company, Subsidiary companies and Associate companies incorporated in India for loans taken by others outside of the Group and its Associates from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group and its Associates.
- xi. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, Subsidiary companies and Associate companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- xii. To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its Subsidiary companies and Associate companies incorporated in India and no material fraud on the Holding Company, its Subsidiary companies and Associate companies incorporated in India has been noticed or reported during the year.

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Registration No. 117366W/W-100018)

P. R. RAMESH

Partner
(Membership No.70928)

Mumbai, April 30, 2015

Consolidated Balance Sheet

AS AT MARCH 31, 2015

	NOTES	AS AT MARCH 31, 2015	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
(a) Share capital	6	1,592.78		1,516.29
(b) Reserves and surplus	7	15,681.73		13,524.02
			17,274.51	15,040.31
SHARE APPLICATION MONEY PENDING ALLOTMENT				
	8		2.22	0.12
MINORITY INTEREST				
	9		44.21	40.16
NON-CURRENT LIABILITIES				
(a) Long-term borrowings	10	42,918.69		39,320.09
(b) Other long-term liabilities	11	356.27		531.37
(c) Deferred tax liability	20	6.01		3.66
(d) Long-term provisions	12	136.82		150.50
			43,417.79	40,005.62
CURRENT LIABILITIES				
(a) Short-term borrowings	13	12,085.77		7,826.23
(b) Trade payables	14	530.06		874.87
(c) Other current liabilities	15	13,171.76		10,895.00
(d) Short-term provisions	16	541.91		480.72
			26,329.50	20,076.82
TOTAL			87,068.23	75,163.03
ASSETS				
NON-CURRENT ASSETS				
(a) Fixed assets				
(i) Tangible assets	17(a)	409.49		324.71
(ii) Intangible assets	17(b)	3.30		2.89
(iii) Intangible assets under development		13.75		0.90
			426.54	328.50
(b) Goodwill on consolidation	18		957.09	957.09
(c) Non-current investments	19		14,610.47	3,888.24
(d) Deferred tax assets (net)	20		751.29	491.16
(e) Long-term loans and advances				
(i) Loans	21	47,172.47		50,049.94
(ii) Others	22	629.74		603.69
			47,802.21	50,653.63
(f) Other non-current assets	23		212.04	175.31
			64,759.64	56,493.93
CURRENT ASSETS				
(a) Current investments	24		15,364.92	7,420.46
(b) Trade receivables	25		44.86	657.99
(c) Cash and bank balances	26		300.08	390.38
(d) Short-term loans and advances				
(i) Loans	21	5,254.16		8,495.59
(ii) Others	22	322.15		511.97
			5,576.31	9,007.56
(e) Other current assets	23		1,022.42	1,192.71
			22,308.59	18,669.10
TOTAL			87,068.23	75,163.03

See accompanying notes forming part of the consolidated financial statements (see note 1 to 43).

IN TERMS OF OUR REPORT ATTACHED

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

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

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

RAJIV B. LALL
Executive Chairman

VIKRAM LIMAYE
Managing Director & CEO

Mumbai | April 30, 2015

SUNIL KAKAR
Chief Financial Officer

MAHENDRA N. SHAH
Company Secretary

Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	FOR THE YEAR ENDED MARCH 31, 2015	(₹ IN CRORE) FOR THE YEAR ENDED MARCH 31, 2014
I INCOME			
Revenue from operations	27	9,639.82	8,772.04
Other income	28	82.65	17.95
TOTAL INCOME (I)		9,722.47	8,789.99
II EXPENSES			
Employee benefits expense	29	388.15	288.28
Finance costs	30	5,657.75	5,055.24
Provisions and contingencies	31	1,013.38	628.30
Other expenses	32	378.35	224.56
Depreciation and amortisation expense	17(a),(b)&(c)	(61.30)	30.96
TOTAL EXPENSES (II)		7,376.33	6,227.34
III PROFIT BEFORE TAX (I - II)			
		2,346.14	2,562.65
IV TAX EXPENSE			
Current tax		992.87	907.55
Deferred tax	20	(290.08)	(112.58)
Tax adjustment for prior years	20	(106.59)	(56.16)
Minimum alternate tax (credit) / charge		0.07	(0.35)
TOTAL TAX EXPENSE (IV)		596.27	738.46
V PROFIT AFTER TAX (BEFORE SHARE OF PROFIT / (LOSS) FROM ASSOCIATES AND ADJUSTMENT FOR MINORITY INTEREST) (III - IV)			
		1,749.87	1,824.19
VI SHARE OF NET PROFIT / (LOSS) FROM ASSOCIATES			
	19	(22.13)	2.01
VII PROFIT AFTER TAX BEFORE SHARE OF PROFIT OF MINORITY (V+VI)			
		1,727.74	1,826.20
VIII SHARE OF PROFIT OF MINORITY INTEREST			
	9	(20.79)	(23.52)
IX PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (VII+VIII)			
		1,706.95	1,802.68
X EARNINGS PER EQUITY SHARE (Nominal value of share ₹ 10 each)			
Basic (₹)	37	10.96	11.89
Diluted (₹)		10.91	11.88

See accompanying notes forming part of the consolidated financial statements (see note 1 to 43).

IN TERMS OF OUR REPORT ATTACHED

FOR DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Registration No. 117366W/W-100018)

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

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

RAJIV B. LALL
Executive Chairman

VIKRAM LIMAYE
Managing Director & CEO

Mumbai | April 30, 2015

SUNIL KAKAR
Chief Financial Officer

MAHENDRA N. SHAH
Company Secretary

Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2015	(₹ IN CRORE) FOR THE YEAR ENDED MARCH 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT BEFORE TAX				
			2,346.14	2,562.65
Adjustments for:				
Depreciation and amortisation expense	17(a)&(b)	(61.30)		30.96
Provision for employee benefits		(1.64)		0.39
Provisions and contingencies	31	1,013.38		628.30
Interest expense		5,400.51		4,990.13
Interest Income		(8,068.80)		(7,544.20)
Provision utilised against non-performing loans / other receivables		(123.04)		(164.07)
Unrealised loss on foreign currency revaluation		523.27		221.47
Profit on sale of other investments (net)	27(d)	(936.03)		(597.88)
Amortisation / (writeback) of premium on long term investments		9.96		(9.26)
(Utilisation) / writeback of securities premium account (gross of tax)		-		0.14
Foreign currency translation reserve	7(h)	7.20		11.06
(Profit) / loss on sale of fixed assets (net)		1.13		(10.56)
Interest paid		(5,079.34)		(5,124.48)
Interest received		8,184.80		7,497.96
Gain on buy back of debentures and commercial papers		-		(1.27)
			870.10	(71.31)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
			3,216.24	2,491.34
CHANGES IN WORKING CAPITAL:				
Adjustments for (increase)/ decrease in operating assets				
Trade receivables		108.72		20.59
Long-term loans & advances		(36.66)		15.70
Short-term loans & advances		(35.84)		(2.70)
Other non-current assets		20.06		(10.09)
Other current assets		(35.06)		20.82
Adjustments for increase / (decrease) in operating liabilities				
Trade payables		136.60		20.06
Other long-term liabilities		(10.69)		(2.92)
Other current liabilities		(10.01)		32.17
			137.12	93.63
Direct taxes paid			(932.49)	(991.95)
CASH GENERATED FROM OPERATIONS				
			2,420.87	1,593.02
Loans (disbursed) / repaid (net)			5,102.95	(3,078.76)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES				
			7,523.82	(1,485.74)

Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	FOR THE YEAR ENDED MARCH 31, 2015	(₹ IN CRORE) FOR THE YEAR ENDED MARCH 31, 2014
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets (including intangible assets under development)		(44.08)	(16.53)
Sale of fixed assets		6.20	12.09
Bank deposits matured (net)		-	0.16
Investment / subscription of shares in subsidiaries		-	(193.73)
Purchase of other investments		(703,256.46)	(525,616.11)
Sale proceeds / repayment of investment in subsidiaries		638.87	-
Sale proceeds of other investments		685,027.78	525,998.07
Opening adjustment	4&7(i)	-	0.04
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		(17,627.69)	183.99
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from fresh issue of shares (net of issue expenses)		1,022.70	6.83
Proceeds from borrowings		2,991,701.09	1,035,586.16
Repayment of borrowings		(2,982,233.25)	(1,029,387.67)
Buy back of debentures and commercial papers		-	(4,310.73)
Dividend paid (including dividend distribution tax)		(464.25)	(454.20)
Decrease in minority interest	9	(16.74)	(8.75)
NET CASH FROM FINANCING ACTIVITIES		10,009.55	1,431.64
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(94.32)	129.89
Cash and cash equivalents as at the beginning of the year	26	319.43	189.54
Cash and cash equivalents as at the end of the year	26	225.11	319.43
		(94.32)	129.89

See accompanying notes forming part of the consolidated financial statements (see note 1 to 43).

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 30, 2015

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

RAJIV B. LALL
Executive Chairman

SUNIL KAKAR
Chief Financial Officer

VIKRAM LIMAYE
Managing Director & CEO

MAHENDRA N. SHAH
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 ('RBI') as an Infrastructure Finance Company - Non Banking Finance Company ('IFC-NBFC'). During the year, the Holding Company and its twenty two subsidiary companies, one entity over which the Holding Company has indirect control and five jointly controlled entities constituted the Group. The Group also has three associate companies. The Group is engaged in financing by way of loans, asset management and investment banking & institutional broking. In April 2014, the Holding Company had received the in- principle approval from the RBI to set up a new private sector bank. In order to achieve, a RBI compliant corporate structure under the New Banking guidelines and for corporate restructuring, the Holding Company has filed a Scheme of Arrangement before the Hon'ble Madras High Court ("High Court") on April 13, 2015 under section 391-394 of the Companies Act, 1956 to demerge its financial undertaking into its subsidiary, IDFC Bank Limited.

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 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions 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. [see note 5(g)]

03 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, 2015 and for the year ended on that date. The Consolidated Financial Statements have been prepared on the following basis:
- 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 line 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 specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - 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, 2015.
 - 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.
 - 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.
 - 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.
 - 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.
- (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 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014:

NAME OF SUBSIDIARY	MARCH 31, 2015	MARCH 31, 2014
	PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)	PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)
i. IDFC Alternatives Limited [see note 4(iii) & (vii)]	100.00	100.00
ii. IDFC Asset Management Company Limited [see note 4(iv) & (ix)]	75.00	75.00
iii. IDFC AMC Trustee Company Limited	75.00	75.00

Notes forming part of the Consolidated Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

NAME OF SUBSIDIARY	MARCH 31, 2015	MARCH 31, 2014
	PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)	PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)
iv. IDFC Capital (Singapore) Pte. Limited [see note 4(vii) & (x)] (Subsidiary of IDFC Capital Limited upto October 31, 2013) (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	100.00	100.00
vii. IDFC Fund of Funds Limited [see note 4(vi) & (x)] (Subsidiary of IDFC Capital Limited upto October 31, 2013) (Subsidiary of IDFC Securities Limited w.e.f. November 1, 2013 up to December 12, 2014)	–	100.00
viii. IDFC Housing Finance Company Limited [see note 4(iii) & (viii)] (Merged with IDFC Alternatives Limited w.e.f. October 1, 2014)	–	100.00
ix. IDFC Infra Debt Fund Limited [see note 4(xi)] (Incorporated on March 7, 2014)	100.00	100.00
x. IDFC Investment Advisors Limited [see note 4(iv)] (Subsidiary of IDFC Asset Management Company Limited)	75.00	75.00
xi. IDFC Investment Managers (Mauritius) Limited (Subsidiary of IDFC Asset Management Company Limited)	75.00	75.00
xii. IDFC Project Equity Company Limited [see note 4(iii)] (Merged with IDFC Alternatives Limited w.e.f. October 1, 2014)	–	100.00
xiii. IDFC Projects Limited	100.00	100.00
xiv. IDFC Primary Dealership Company Limited [see note 4(iii)] (Merged with IDFC Alternatives Limited w.e.f. October 1, 2014)	–	100.00
xv. IDFC Securities Limited [see note 4(vii), (ix) & (x)]	100.00	100.00
xvi. IDFC Securities Singapore Pte. Limited [see note 4(x) & (xiii)] (Subsidiary of IDFC Capital Limited upto October 31, 2013) (Subsidiary of IDFC Securities Limited w.e.f. November 1, 2013)	100.00	100.00
xvii. IDFC Trustee Company Limited	100.00	100.00
xviii. IDFC Bank Limited [see note 4(ii)] (Incorporated on October 21, 2014, subsidiary of IDFC Financial Holding Company Limited w.e.f. December 26, 2014)	100.00	NA
xix. IDFC Financial Holding Company Limited [see note 4(i) & (ii)] (Incorporated on November 7, 2014)	100.00	NA
xx. IDFC Pension Fund Management Company Limited [see note 4(ix) & (x)] (Subsidiary of IDFC Asset Management Company Limited upto October 15, 2013) (Wholly owned subsidiary of IDFC Securities Limited w.e.f. October 16, 2013 upto October 31, 2013) (Merged into IDFC Securities Limited w.e.f. November 1, 2013)	–	–
xxi. IDFC Capital Limited [see note 4(x)] (Subsidiary of IDFC Securities Limited upto October 31, 2013) (Merged with IDFC Securities Limited w.e.f. November 1, 2013)	–	–
xxii. IDFC Distribution Company Limited [see note 4(x)] (Subsidiary of IDFC Securities Limited upto October 31, 2013) (Merged with IDFC Securities Limited w.e.f. November 1, 2013)	–	–

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 Fund of Funds Limited, a Company incorporated in Guernsey.
- iv. IDFC Investment Managers (Mauritius) Limited, a Company incorporated in Mauritius.
- v. 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 the 2013 Act, 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. Further, Jointly Controlled Entities of IDFC Foundation i.e. Delhi Integrated Multi-Modal Transit System Limited, Infrastructure Development Corporation (Karnataka) Limited, Uttarakhand Infrastructure Development Company Limited, Rail Infrastructure Development Company (Karnataka) Limited and Narayana Hrudayalaya Surgical Hospital Private Limited are also not consolidated since the Holding Company will not derive any economic benefits from these investments of IDFC Foundation.
- (d) During the year the Holding Company has increased its share of investment in equity shares of Neopro Technologies Private Limited from 80.44% in the previous year to 100% in the current year. 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 current year the Holding Company has disposed off its investment in equity and preference shares of Neopro Technologies Private Limited and hence it has ceased to be a subsidiary w.e.f. September 28, 2014.
- (e) The Holding Company held 100% of equity shares in Galaxy Mercantiles Limited at the beginning of the current year. However, the Company has not been consolidated as a subsidiary since the shares were held exclusively with a view to dispose off in the near future. During the current year the Holding Company has disposed off its investment in equity shares of Galaxy Mercantiles Limited. Hence it has ceased to be a subsidiary w.e.f. September 28, 2014.
- (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 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014:

NAME OF ASSOCIATE	AS AT MARCH 31, 2015			AS AT MARCH 31, 2014		
	FACE VALUE (₹)	NO. OF SHARES	PROPORTION OF EFFECTIVE OWNERSHIP INTEREST (%)	FACE VALUE (₹)	NO. 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	10.00	42,637,400	26.00
ii. Feedback Infra Private Limited	10.00	4,026,689	24.61	10.00	4,026,689	24.61
iii. Millennium City Expressway Private Limited (w.e.f. May 19, 2014)	10.00	176,608,965	29.98	–	–	–

- (g) Unitech Developers Private Limited, Unitech Hitech Structures Limited, Unitech Realty Projects Limited & Seaview Developers Limited had become associates during the current year. However, the Companies were not consolidated as associates since the shares were held exclusively with a view to dispose off in the near future. These investments were disposed off on March 12, 2015.

04 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.
- (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) The shares of IDFC Project Equity Company Limited were transferred by the Holding Company to IDFC Alternatives Limited on May 17, 2012. Consequently, IDFC Project Equity Company Limited was an indirect subsidiary of the Holding Company. During the current year, IDFC Alternatives Limited, a wholly owned subsidiary of the Holding Company, has 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) IDFC Asset Management Company Limited has 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.
- (v) The Holding Company subscribed to 30% equity stake in Millennium City Expressway Private Limited on May 19, 2014 and hence consolidated as an associate during the current year.
- (vi) During the current year IDFC Fund of Funds Limited had applied for voluntary winding up on December 12, 2014 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 Housing Finance Company Limited was incorporated as a subsidiary of the Holding Company on March 4, 2014.

- (ix) The Holding Company and IDFC Asset Management Company Limited have transferred the shares of IDFC Pension Fund Management Company Limited to IDFC Securities Limited on October 15, 2013. Accordingly, IDFC Pension Fund Management Company Limited became a wholly owned subsidiary of IDFC Securities Limited during the previous year.
- (x) Consequent to the approval from the Hon'ble Bombay High Court vide order dated March 28, 2014, IDFC Capital Limited, IDFC Distribution Company Limited and IDFC Pension Fund Management Company Limited have been merged with IDFC Securities Limited with an appointed date of November 1, 2013 and effective date of April 5, 2014. Post merger, subsidiaries of IDFC Capital Limited namely IDFC Capital (Singapore) Pte. Limited, IDFC Fund of Funds Limited and IDFC Securities Singapore Pte. Limited have become direct subsidiaries of IDFC Securities Limited.
- (xi) IDFC Infra Debt Fund Limited was incorporated as a subsidiary of the Holding Company on March 7, 2014.
- (xii) Unitech Developers Private Limited, Unitech Hitech Structures Limited, Unitech Realty Projects Limited & Seaview Developers Limited had become associates on May 14, 2014 and its investment was disposed off on March 12, 2015.
- (xiii) IDFC Securities Singapore Pte. Limited was incorporated in Singapore as a subsidiary of IDFC Capital Limited on November 21, 2012. Consequent to the merger, IDFC Securities Singapore Pte. Limited is a wholly owned subsidiary of IDFC Securities Limited.
- 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'.

05 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

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 Standards specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act / 1956 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.
- 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.

Other than NBFCs 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)

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 for 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.

(e) 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.

(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

Having regard to the Part C of Schedule II of the 2013 Act, during the year ended March 31, 2015 the group has reviewed its policy of providing for depreciation on its tangible fixed assets and also reassessed their useful lives. On and from April 1, 2014, the straight line method is being used to depreciate all classes of tangible fixed assets except in respect of following categories of assets, in which case life of asset has been assessed based on the management estimate [see note 17(c)].

- i) Mobile phones
- ii) 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. A comparative table with respect to depreciation rates based on old and new method is produced below:

TYPE OF ASSETS	OLD METHOD		NEW METHOD		
	METHOD OF DEPRECIATION	RATE OF DEPRECIATION	METHOD OF DEPRECIATION	USEFUL LIFE (NO. OF YEARS)	RATE OF DEPRECIATION
Land	NA	0%	NA	NA	0%
Building (RCC construction)	WDV	5.00%	SLM	60	1.67%
Building (other than RCC construction)	WDV	5.00%	SLM	30	3.33%
Computers - servers and others	WDV	40.00%	SLM	6	16.67%
Computers - laptops and desktops	WDV	40.00%	SLM	3	33.33%
Vehicles	WDV	25.89%	SLM	4	25.00%
Wind mills	WDV	15.33%	SLM	8	12.50%
Leasehold improvements	SLM	Over the primary period of lease	SLM	Over the extended period of lease	Variable
Furniture and fixtures	WDV	18.10%	SLM	10	10.00%
Office equipment	WDV	13.91%	SLM	5	20.00%
Blackberry / Mobiles	SLM	50.00%	SLM	2	50.00%

(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 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. Present estimate of useful life of intangible assets are determined as three years.

(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 has formulated Employee Stock Option Schemes ('the ESOS') in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). The ESOS provides for grant of stock options to employees (including employees of subsidiary companies) to acquire equity shares of the Holding 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 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 by the employees.

Defined benefit plan

The net present value of obligation towards gratuity to employees is 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.

(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'. During the current year, there were activities involved towards transitioning into the proposed bank. In view of the transitional nature of these activities, it is not considered as reportable segment.

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 is accounted on accrual basis except in the case of non-performing loans 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.
- 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 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 accounted on accrual basis.
- 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 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 books of account.

(r) 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 / 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.

(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**

- Contingent provision against standard assets is made at 0.25% of the outstanding standard assets 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 stressed assets that qualifies for deduction under Section 36(1)(viiia) 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 may be 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.

- In March 2014, the RBI has issued a Circular for the purpose of early recognition of financial distress, prompt steps for resolution and fair recovery for lenders. As per the Circular, the Holding Company is required to categorize its exposure as Special Mention Account (SMA) based on the past due status, initiate the process for formation of Joint Lender Forum (JLF) and arrive at Corrective Action Plan (CAP) and prescribes accelerated provision for non-compliance of the above. Based on the above Circular, the Holding Company has initiated the required action for formation of JLF and finalization of CAP which are within the control of the Holding Company. The Holding Company has complied with the requirements of the said Circular and hence not required to create accelerated provision.

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 2013 Act 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.

06 Share capital

	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	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	1,592,780,866	1,592.78	1,516,286,251	1,516.29
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		1,592.78		1,516.29

(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, 2015		AS AT MARCH 31, 2014	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
EQUITY SHARES				
Outstanding as at the beginning of the year	1,516,286,251	1,516.29	1,514,727,629	1,514.73
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)]	3,494,615	3.49	1,558,622	1.56
Outstanding as at the end of the year	1,592,780,866	1,592.78	1,516,286,251	1,516.29

(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, 2015, dividend of ₹ 2.60 per share (Previous Year ₹ 2.60 per share) is recognised as amount distributable to equity Shareholders.
- In the event of liquidation of the 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 exist 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:

	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	MARCH 31, 2015	MARCH 31, 2014
	NUMBER	NUMBER
Outstanding as at the beginning of the year	32,889,410	35,568,940
Add: Granted during the year	3,300,000	2,246,667
Less: Exercised during the year [see note (a)]	3,494,615	1,558,622
Less: Lapsed / forfeited during the year	1,209,752	3,367,575
Outstanding as at the end of the year	31,485,043	32,889,410

- (d) The Holding Company has 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. The proceeds from the Qualified Institutions Placement is pending utilisation for investment in IDFC Financial Holding Company Limited for further investment in IDFC Bank Limited in accordance with the objects as set out in the offer document.

07 Reserves and surplus

	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
	(₹ IN CRORE)	
(a) SECURITIES PREMIUM ACCOUNT		
Opening balance	5,253.15	5,244.37
Add: premium on issue of equity shares under QIP issue	927.10	–
Add: premium on exercise of stock options under the ESOS	34.46	8.62
Less: premium utilised / (write back) during the year [see note below & 5(u)]	11.01	(0.14)
Closing balance	6,203.70	5,253.15
Share issue expenses amounting to ₹ 11.01 crore (Previous Year Nil) on account of capital raising under the QIP issue have been utilised against the Securities Premium Account in terms of Section 52 of the 2013 Act.		
(b) STOCK OPTIONS OUTSTANDING [see note 6(c)]		
Opening balance	25.39	28.86
Less: Transferred to general reserve [see note 7(f)]	0.71	0.29
Less: Stock options exercised / cancelled	6.45	3.18
Closing balance	18.23	25.39
(c) DEBENTURE REDEMPTION RESERVE		
Opening balance	541.60	364.60
Add : Transfer from surplus in the Statement of Profit and Loss [see note 7(i)]	197.90	177.00
Closing balance	739.50	541.60
The Holding Company has created Debenture Redemption Reserve (DRR) in accordance with Section 71(4) of the the 2013 Act 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.		
(d) SPECIAL RESERVE u/s. 36(1)(viii) OF THE INCOME-TAX ACT, 1961 [see note 5(q)]		
Opening balance	2,373.25	1,950.25
Add: Transfer from surplus in the Statement of Profit and Loss [see note 7(i)]	480.00	423.00
Closing balance	2,853.25	2,373.25
(e) SPECIAL RESERVE u/s. 45-IC OF THE RBI ACT, 1934		
Opening balance	2,218.50	1,871.93
Add: Transfer from surplus in the Statement of Profit and Loss [see note 7(i)]	335.92	346.57
Closing balance	2,554.42	2,218.50
(f) GENERAL RESERVE		
Opening balance	843.47	662.91
Add: Transfer from surplus in the Statement of Profit and Loss	–	180.27
Add: Transfer from stock options outstanding [see note 7(b)]	0.71	0.29
Closing balance	844.18	843.47
(g) CAPITAL RESERVE ON CONSOLIDATION		
Opening balance	1.25	1.25
Add: Changes due to change in shareholding in group companies	–	–
Closing balance	1.25	1.25
(h) FOREIGN CURRENCY TRANSLATION RESERVE [see note 3(a)(vii)]		
Opening balance	21.00	9.94
Add: Foreign exchange translation in relation to non-integral foreign operations	7.20	11.08
Less: Share of minority interest	0.01	0.02
Closing balance	28.19	21.00

Notes forming part of the Consolidated Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(i) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening balance	2,246.41	2,033.78
Profit for the year	1,706.95	1,802.68
Add: Opening adjustment (see note 4 & 9)	–	0.04
Less: Impact of amount utilised by an associate against securities premium account	1.89	1.84
LESS: APPROPRIATIONS		
TRANSFER TO RESERVES:		
Debenture redemption reserve [see note 7(c)]	197.90	177.00
Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [see note 7(d)]	480.00	423.00
Special reserve u/s. 45-IC of the RBI Act, 1934 [see note 7(e)]	335.92	346.57
General reserve [see note 7(f)]	–	180.27
DIVIDEND & DIVIDEND DISTRIBUTION TAX:		
Proposed dividend on equity shares [₹ 2.60 per share (Previous Year ₹ 2.60 per share)]	414.17	394.24
Dividend on equity shares pertaining to previous year (see note below)	0.14	0.15
Tax on proposed equity dividend	84.31	67.00
Tax on equity dividend for previous year (see note below)	0.02	0.02
Total appropriations	1,512.46	1,588.25
Closing balance	2,439.01	2,246.41
TOTAL RESERVES AND SURPLUS	15,681.73	13,524.02

In respect of equity shares issued pursuant to exercise of stock options under the ESOS, the Company paid dividend of ₹ 0.14 crore for the year 2013-14 (Previous Year ₹ 0.15 crore for the year 2012-13) as approved by the Shareholders at the respective Annual General Meetings and tax on dividend of ₹ 0.02 crore (Previous Year credit of ₹ 0.02 crore) as approved by the Shareholders at the respective Annual General Meetings.

08 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, 2015		AS AT MARCH 31, 2014	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
Equity shares of face value ₹ 10 each proposed to be issued	164,175	0.16	24,500	0.02
Total amount of securities premium		2.06		0.10
TOTAL		2.22		0.12

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

09 Minority Interest

	AS AT MARCH 31, 2015 %	AS AT MARCH 31, 2014 %
DIRECT		
IDFC Asset Management Company Limited	25.00	25.00
IDFC AMC Trustee Company Limited	25.00	25.00
INDIRECT (Through IDFC Asset Management Company Limited)		
IDFC Investment Advisors Limited	25.00	25.00
IDFC Investment Managers (Mauritius) Limited	25.00	25.00

Consequent to the transfer of shares of IDFC Pension Fund Management Company Limited by IDFC Asset Management Company Limited to IDFC Securities Limited and merger of IDFC Pension Fund Management Company Limited into IDFC Securities Limited, minority interest in IDFC Pension Fund Management Company Limited has reduced to zero [Refer note 4(ix) & (x)].

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Opening minority interest	40.16	25.39
Add: Share of profit of minority interest	20.79	23.52
Less: Dividend and dividend distribution tax by subsidiaries	16.75	8.73
Add: Fluctuation in foreign currency translation reserve	0.01	0.02
Less: Reduction due to change in shareholding in IDFC Pension Fund Management Company Limited	–	0.04
Closing Balance	44.21	40.16

10 Long-term borrowings

	AS AT MARCH 31, 2015		(₹ IN CRORE) AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
DEBENTURES & BONDS (NON CONVERTIBLE) (SECURED)				
[see note (a) & (c)]				
Face value	32,535.08	8,941.36	26,462.41	8,396.90
Less: Unexpired discount on zero percent debentures & bonds [see note (b)]	227.35	16.70	281.55	25.58
	32,307.73	8,924.66	26,180.86	8,371.32
TERM LOANS (SECURED) [see note (a)]				
From banks [see note (d)]	2,325.00	780.74	4,380.74	850.00
From others [see note (e)]	840.75	7.59	758.84	–
	3,165.75	788.33	5,139.58	850.00
EXTERNAL COMMERCIAL BORROWINGS (SECURED)				
[see note (a)]				
From banks [see note (f)]	5,244.90	1,376.98	4,903.95	–
From others [see note (g)]	2,200.31	157.10	2,445.70	197.68
	7,445.21	1,534.08	7,349.65	197.68
SUBORDINATED DEBT FROM THE GOVERNMENT OF INDIA (UNSECURED) [see note (h)]				
Amount disclosed under 'other current liabilities' (see note 15)	–	(11,247.07)	650.00	–
	–	(11,247.07)	–	(9,419.00)
TOTAL LONG-TERM BORROWINGS	42,918.69	–	39,320.09	–
The above amount includes:				
Secured borrowings [see note (a)]	42,918.69	11,247.07	38,670.09	9,419.00
Unsecured borrowings	–	–	650.00	–
	42,918.69	11,247.07	39,320.09	9,419.00

(a) Borrowings of ₹ 54,165.76 crore (Previous Year ₹ 48,089.09 crore) are secured by way of a first floating *pari passu* charge over investments, other assets, trade receivables, cash and bank balances & loans and advances excluding investments in and other receivables from subsidiaries and affiliates of the Holding Company and lien marked assets.

(b) Unexpired discount is net of ₹ 236.86 crore (Previous Year ₹ 251.00 crore) towards interest accrued but not due.

Notes forming part of the Consolidated Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

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

RESIDUAL MATURITY	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Fixed Rate				
Above 5 years	18,853.52	7.75 to 9.68	12,084.53	7.75 to 9.68
3-5 years	4,540.73	8.34 to 9.68	2,036.73	7.98 to 9.45
1-3 years	9,100.83	7.98 to 9.57	12,301.15	7.45 to 9.57
Floating Rate				
3-5 years	-	NA	40.00	MIBOR+ 150 bps
1-3 years	40.00	MIBOR+ 150 bps	-	NA
TOTAL	32,535.08		26,462.41	

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

RESIDUAL MATURITY	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Fixed Rate				
1-3 years	-	NA	255.74	7.41
Floating Rate				
1-3 years	2,325.00	Bank Base rate	4,125.00	Bank Base rate + 5 bps
TOTAL	2,325.00		4,380.74	

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

RESIDUAL MATURITY	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Fixed Rate				
Above 5 years	102.67	2.00	71.22	2.00
3-5 years	52.16	2.00	26.59	2.00
1-3 years	42.92	2.00	18.03	2.00
Floating Rate				
3-5 years	643.00	Base rate	643.00	Base rate
TOTAL	840.75		758.84	

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

RESIDUAL MATURITY	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Floating Rate				
3-5 years	2,816.55	USD 6M LIBOR + 185 to 213 bps	2,404.00	USD 6M LIBOR+ 185 to 250 bps
3-5 years	-	NA	276.25	3M BBSY+ 270 bps
1-3 years	237.70	3M BBSY + 270 bps	-	NA
1-3 years	2,190.65	USD 6M LIBOR + 150 to 275 bps	2,223.70	USD 6M LIBOR+ 150 to 275 bps
TOTAL	5,244.90		4,903.95	

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

RESIDUAL MATURITY	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Floating Rate				
Above 5 years	51.55	USD 6M LIBOR + 235 bps	130.33	USD 6M LIBOR+235 bps
Above 5 years	1,251.80	USD 3M LIBOR + 225 bps	1,352.26	USD 3M LIBOR+225 bps
Above 5 years	231.20	INBMK + 183.50 bps	308.27	INBMK+183.50 bps
3-5 years	115.60	INBMK + 183.50 bps	-	NA
3-5 years	312.95	USD 3M LIBOR + 225 bps	38.53	INBMK+183.50 bps
3-5 years	51.54	USD 6M LIBOR + 235 bps	150.25	USD 3M LIBOR+225 bps
1-3 years	185.67	USD 6M LIBOR + 60.20 to 235 bps	127.05	USD 6M LIBOR+60.20 to 235 bps
1-3 years	-	NA	339.01	USD 6M LIBOR+60.20 to 235 bps
TOTAL	2,200.31		2,445.70	

(h) Interest and repayment terms of subordinated debt from the Government of India (unsecured):

REPAYMENT DATE	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
29-Sep-47	-	NA	350.00	5 Year G-Sec + 25 bps
17-Mar-47	-	NA	300.00	5 Year G-Sec + 25 bps
TOTAL	-		650.00	

11 Other long-term liabilities

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
	Lease equalisation (see note 36)	1.60
Interest accrued but not due on borrowings	345.71	483.83
Income received in advance (unearned revenue)	-	1.61
Security deposits	-	8.33
Payables against derivative contracts	8.94	35.23
Retention money	0.02	0.02
Other payables	B	B
TOTAL	356.27	531.37

12 Long-term provisions

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
	Provision for employee benefits (see note 33)	-
Contingent provision against standard assets [see note (a) & (b)]	136.82	150.41
TOTAL	136.82	150.50

(a) A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in terms of the RBI circular by the Holding Company.

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

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
	Opening balance	150.41
Additions / (deductions) during the year	(13.59)	7.21
Closing balance	136.82	150.41

13 Short-term borrowings

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
TERM LOANS (SECURED) [see note (a)]		
From banks	100.00	1,200.00
TERM LOANS (UNSECURED)		
From others	–	10.00
COLLATERALISED BORROWINGS AND LENDING OBLIGATIONS (CBLO) (SECURED) [see note (b)]	6,985.03	2,229.14
REPURCHASE AGREEMENT (REPO) (SECURED) [see note (c)]	4,505.34	1,361.96
COMMERCIAL PAPERS (UNSECURED)		
Face value	500.00	2,771.00
Less: Unexpired discount [see note (d)]	4.60	45.87
	495.40	2,725.13
CASH CREDIT / BANK OVERDRAFT (SECURED) [see note (a)]	–	300.00
	12,085.77	7,826.23
The above amount includes:		
Secured borrowings [see note (a)]	11,590.37	5,091.10
Unsecured borrowings	495.40	2,735.13
TOTAL SHORT-TERM BORROWINGS	12,085.77	7,826.23

- (a) Borrowings of ₹ 100.00 crore (Previous Year ₹ 1,500 crore) are secured by way of a first floating *pari passu* charge over investments, other assets, trade receivables, cash and bank balances & 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 ₹ 11,151.12 crore at book value (Previous Year ₹ 3,085.89 crore at book value).
- (c) Borrowings under REPO are secured by assignment of government securities and treasury bills of ₹ 4,443.62 crore at book value (Previous Year ₹ 1,364.45 crore at book value).
- (d) Unexpired discount on commercial papers is net of ₹ 4.39 crore (Previous Year ₹ 61.35 crore) towards interest accrued but not due.

14 Trade payables

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Payables against derivative contracts	205.43	145.31
Payables against purchase of investments	85.70	574.26
Other trade payables (see note 40)	11.71	8.78
Provision for expenses	227.22	146.52
TOTAL	530.06	874.87

15 Other current liabilities

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Current maturities of long-term borrowings (see note 10)	11,247.07	9,419.00
Interest accrued but not due on borrowings	1,852.65	1,393.35
Income and other amounts received in advance	25.55	45.99
Funds received for investor education	15.49	9.46
Unclaimed dividend	1.78	1.60
Unclaimed interest	17.99	15.76
Security deposit	3.59	2.02
Lease equalisation (see note 36)	0.40	0.85
Other payables		
Payable to gratuity fund (net) (see note 33)	0.02	0.64
Statutory dues	6.05	5.52
Other liabilities	1.17	0.81
TOTAL	13,171.76	10,895.00

(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.

16 Short-term provisions

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Provision for employee benefits (see note 33)	–	0.03
Provision for income tax (net of advance payment of tax)	43.37	16.40
Provision for wealth tax (net of advance payment of tax)	–	0.14
Provision for fringe benefit tax (net of advance payment of tax)	0.06	0.06
Proposed equity dividend [see note 6(b) & 7(i)]	414.17	394.24
Tax on proposed equity dividend [see note 7(i)]	84.31	69.85
TOTAL	541.91	480.72

17 (a) Tangible assets

	GROSS BLOCK						ACCUMULATED DEPRECIATION						NET BLOCK				
	Balance as at April 1, 2014	Adjustment (see note 2)	Translation exchange difference	Additions	Disposals	Transfer in / out (see note 1)	Balance as at Mar 31, 2015	Balance as at April 1, 2014	Adjustment (see note 2)	Translation exchange difference	Depreciation charge for the year	On disposals	Transition adjustment [see note 5(g)]	Transfer in / out (see note 1)	Balance as at Mar 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
Freehold Land	4.36	-	-	-	4.36	-	-	-	-	-	-	-	-	-	-	-	4.36
(Previous Year)	-	-	-	(4.36)	-	-	(4.36)	-	-	-	-	-	-	-	-	(4.36)	-
Buildings																	
Own use	343.14	-	-	-	2.94	-	340.20	86.53	-	-	6.04	0.59	(51.26)	-	40.72	299.48	256.61
(Previous Year)	(326.64)	-	-	-	(2.31)	(18.81)	(343.14)	(63.98)	-	-	(13.31)	(1.15)	-	(10.39)	(86.53)	(256.61)	-
Under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(18.81)	-	-	-	-	(18.81)	-	(10.13)	-	-	(0.26)	-	-	(10.39)	-	-	-
Leasehold improvements	12.55	-	0.04	8.73	0.08	-	21.24	9.64	-	0.04	1.42	0.04	-	-	11.06	11.18	2.91
(Previous Year)	(15.24)	-	(0.09)	(0.24)	(3.02)	-	(12.55)	(10.68)	-	(0.08)	(1.90)	(3.02)	-	-	(9.64)	(2.91)	-
Furniture and fixtures																	
Own use	11.91	-	0.02	1.63	0.38	-	13.18	6.56	β	0.01	0.89	0.17	(0.65)	-	6.64	6.54	5.35
(Previous Year)	(11.57)	-	(0.05)	(0.48)	(0.96)	(0.42)	(11.56)	(6.15)	-	(0.02)	(0.99)	(0.86)	-	(0.16)	(6.46)	(5.10)	-
Under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(0.42)	-	-	-	-	(0.42)	-	(0.15)	-	-	(0.01)	-	-	(0.16)	-	-	-
Vehicles	6.97	-	-	10.25	0.61	-	16.61	1.62	(0.04)	-	3.28	0.31	(0.52)	-	4.03	11.58	5.35
(Previous Year)	(1.29)	-	-	(5.81)	(0.13)	-	(6.97)	(0.63)	-	-	(1.10)	(0.11)	-	-	(1.62)	(5.35)	-
Office equipment																	
Own use	17.21	(0.01)	0.02	3.21	0.26	-	20.17	8.69	β	β	3.50	0.20	3.30	-	15.29	4.88	8.52
(Previous Year)	(16.84)	-	(0.04)	(1.28)	(0.62)	(0.02)	(17.56)	(7.23)	-	(0.02)	(1.95)	(0.43)	-	(0.02)	(8.79)	(8.77)	-
Under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(0.02)	-	-	-	-	(0.02)	-	(0.02)	-	-	-	-	-	(0.02)	-	-	-
Computers	21.49	(0.01)	0.02	4.96	1.46	-	25.00	17.41	β	0.02	2.87	1.45	(0.50)	-	18.35	6.65	4.08
(Previous Year)	(20.66)	-	(0.04)	(1.95)	(1.16)	-	(21.49)	(16.28)	-	(0.03)	(2.20)	(1.11)	-	-	(17.41)	(4.08)	-
Wind mills	101.25	-	-	-	-	-	101.25	63.72	-	-	4.59	-	(36.24)	-	32.07	69.18	37.53
(Previous Year)	(101.25)	-	-	-	-	-	(101.25)	(56.93)	-	-	(6.79)	-	-	-	(63.72)	(37.53)	-
TOTAL	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	324.71
(Previous Year)	(512.74)	-	(0.22)	(14.12)	(8.20)	-	(518.88)	(172.18)	-	(0.15)	(28.51)	(6.67)	-	(194.17)	(324.71)	-	-

17 (b) Intangible assets (Other than internally generated)

	GROSS BLOCK						ACCUMULATED AMORTISATION						NET BLOCK				
	Balance as at April 1, 2014	Adjustment (see note 2)	Translation exchange difference	Additions	Disposals	Transfer in / out (see note 1)	Balance as at Mar 31, 2015	Balance as at April 1, 2014	Adjustment (see note 2)	Translation exchange difference	Depreciation charge for the year	On disposals	Transition adjustment [see note 5(g)]	Transfer in / out (see note 1)	Balance as at Mar 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
Computer software	22.00	-	β	2.43	-	-	24.43	19.16	β	β	2.01	-	-	-	21.17	3.26	2.84
(Previous Year)	(20.54)	-	(0.01)	(1.45)	-	-	(22.00)	(16.72)	-	-	(2.44)	-	-	-	(19.16)	(2.84)	-
Tenancy rights	0.11	-	-	-	-	-	0.11	0.06	-	-	0.01	-	-	-	0.07	0.04	0.05
(Previous Year)	(0.11)	-	-	-	-	-	(0.11)	(0.04)	-	-	(0.01)	-	-	-	(0.06)	(0.05)	-
TOTAL	22.11	-	β	2.43	-	-	24.54	19.22	β	β	2.02	-	-	-	21.24	3.30	2.89
(Previous Year)	(20.65)	-	(0.01)	(1.45)	-	-	(22.11)	(16.76)	-	-	(2.45)	-	-	-	(19.22)	(2.89)	-
TOTAL TANGIBLE AND INTANGIBLE ASSETS	540.99	(0.02)	0.10	31.21	10.09	-	562.20	213.39	(0.04)	0.07	24.61	2.76	(85.87)	-	148.40	412.79	327.60
(Previous Year)	(533.39)	-	(0.23)	(15.57)	(8.20)	-	(540.99)	(188.94)	-	(0.15)	(30.96)	(6.67)	-	(213.39)	(327.60)	-	-

1 The operating lease relating to certain assets had expired in the previous year.

2 Represents assets transferred on amalgamation [see note 4(iii)]

17 (c) 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 (including write back of depreciation of ₹ 84.60 crore for the previous year ended March 31, 2014). Deferred tax liability of ₹ 18.59 crore for the year ended March 31, 2015 (including ₹ 16.74 crore for previous year ended March 31, 2014) has been created on account of depreciation timing differences.

18 Goodwill on consolidation

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Goodwill on subsidiaries	957.09	957.09

19 Non-current investments (at cost)

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
INVESTMENT IN ASSOCIATES		
Equity shares [see note 3(f)]	229.53	52.93
Add: Goodwill on acquisition	9.80	9.80
Add: Adjustment for post acquisition share of profit and reserve of associates	(14.95)	9.87
	224.38	72.60
Preference shares	30.94	–
INVESTMENT IN A SUBSIDIARY		
Equity shares [see note 3(c)]	13.00	13.00
OTHER INVESTMENTS		
Equity shares [see note (a) & (f)]	1,096.17	827.93
Preference shares [see note (d)]	107.37	155.72
Venture capital units [see note (d)]	950.17	881.87
Debentures & bonds	540.58	540.59
Government securities [see note 13(b) & (c)]	11,721.62	1,517.06
Mutual funds [see note (b)]	4.50	15.00
Security receipts	242.24	196.46
TOTAL NON-CURRENT INVESTMENTS	14,930.97	4,220.23
Less: Provision for diminution in value of investments [see note (e)]	309.11	330.56
Less: Premium amortised on debentures, bonds and government securities	11.39	1.43
NET NON-CURRENT INVESTMENTS	14,610.47	3,888.24
(a) Aggregate amount of quoted investments		
Cost	140.64	298.02
Market value	52.63	152.18
(b) Aggregate amount of investments in unquoted mutual funds		
Cost	4.50	15.00
Market value	5.00	15.90
(c) Aggregate amount of unquoted investments - cost	14,785.83	3,907.21
(d) Investments include ₹ Nil (Previous Year ₹ 0.47 crore) in respect of preference shares and ₹ 950.17 crore (Previous Year ₹ 881.87 crore) in respect of venture capital units which are subject to restrictive covenants.		
(e) Includes provision against investment in a subsidiary of ₹ 13.00 crore (Previous Year ₹ Nil).		
(f) Excludes 1,805,000 shares (Previous Year Nil) since the Holding Company has no beneficial interest.		

20 Deferred tax (net)

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
(a) Provisions	806.07	–	514.40	–
(b) Others	(14.28)	–	2.64	–
(c) Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged to the Statement of Profit and Loss	(40.50)	6.01	(25.88)	3.66
DEFERRED TAX (NET)	751.29	6.01	491.16	3.66

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the Company has taken credit of ₹ 257.78 crore (Previous Year ₹ 93.70 crore) in the Statement of Profit and Loss towards deferred tax assets / (liability) (net) on account of timing differences and ₹ (0.01) crore (Previous Year ₹ 0.04 crore) in the Foreign Currency Translation Reserve. Deferred tax liability for the year ended March 31, 2015 of ₹ 32.31 crore (Previous Year ₹ 18.88 crore) is created on account of tax adjustment of prior year. Tax adjustment of prior year also includes ₹ 0.38 crore (Previous Year ₹ Nil on account of refund of interest tax).

21 Loans

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Rupee loans [see note (a), (c) & (d)]	49,293.18	5,342.93	50,807.63	8,000.49
Debentures & bonds [see note (a) & (d)]	–	109.25	453.68	567.50
	49,293.18	5,452.18	51,261.31	8,567.99
Less: Provision against non-performing loans [see note (c)]	39.98	198.02	40.00	72.40
Less: Provision against restructured loans & others	493.24	–	158.03	–
Less: Provision for contingencies	1,587.49	–	1,013.34	–
TOTAL	47,172.47	5,254.16	50,049.94	8,495.59

(a) The above amount includes

Secured [see note (b)]	40,365.47	4,039.08	42,285.17	7,876.21
Unsecured	8,927.71	1,413.10	8,976.14	691.78
	49,293.18	5,452.18	51,261.31	8,567.99

(b) Loans to the extent of ₹ 44,404.55 crore (Previous Year ₹ 50,161.38 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 ₹ 357.57 crore (Previous Year ₹ 332.98 crore) against which provisions of ₹ 238.00 crore (Previous Year ₹ 112.40 crore) has been made in accordance with the RBI circular by the Holding Company [see note (d)].

(d) The classification of loans under the RBI guidelines is as under:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
	(i) Standard assets	54,387.79
(ii) Sub-standard assets	348.42	332.98
(iii) Doubtful assets	9.15	–
(iv) Loss assets	–	–
	54,745.36	59,829.30

22 Loans and advances - others (considered good, unless stated otherwise)

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
UNSECURED				
Inter corporate deposits	-	-	-	19.00
Loans and advances to related parties (see note 34)	-	21.00	-	21.50
Receivables against derivative contracts	88.50	234.84	206.56	438.48
Loans and advances to employees	1.00	0.29	1.00	0.21
Advance against investments	-	4.68	-	0.05
[includes advance to an associate company of ₹ 4.68 crore (Previous Year ₹ Nil)]				
Security deposits	65.97	11.15	37.32	11.36
Other deposits	-	22.83	-	0.33
Advance payment of income tax (net of provision)	447.00	-	341.67	-
Advance payment of fringe benefit tax (net of provision)	0.53	-	0.53	-
Other loans and advances				
Supplier advances	-	3.69	-	1.27
Capital advances	5.78	-	0.38	-
Other advances	-	0.57	-	0.01
Prepaid expenses	5.49	18.96	8.00	16.88
Balance with defined benefit plan (see note 33)	-	0.91	-	-
Stamp paper on hand	-	0.04	-	0.11
Minimum alternate tax credit	0.45	-	0.52	-
Balances with government authorities - cenvat credit available [includes ₹ 0.68 crore (Previous Year ₹ 0.67 crore), considered doubtful]	-	3.87	-	3.44
Initial margin account - stock futures	-	-	0.60	-
Initial margin account - government securities	15.02	-	7.11	-
	629.74	322.83	603.69	512.64
Less: Provision against doubtful advances	-	0.68	-	0.67
TOTAL	629.74	322.15	603.69	511.97

23 Other assets (considered good, unless stated otherwise)

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Other receivables	-	4.35	-	2.13
[includes ₹ 1.62 crore (Previous Year ₹ 0.89 crore), considered doubtful]				
Less: Provision against doubtful receivables	-	1.62	-	0.89
	-	2.73	-	1.24
Bank deposits [see note (a)]	3.98	-	1.18	-
Interest accrued on deposits & loan to financial institution	0.23	1.12	0.07	0.28
Interest accrued on investments	-	522.95	-	85.20
Interest accrued on loans [see note (b)]	158.83	439.47	102.20	1,050.84
Unamortised expenses				
Premium on forward contracts	-	33.77	-	32.71
Ancillary borrowing costs	49.00	22.38	71.86	22.44
TOTAL	212.04	1,022.42	175.31	1,192.71

(a) Balances with bank include deposits under lien of ₹ 3.98 crore (Previous Year ₹ 1.18 crore) against bank guarantee.

(b) Interest accrued on loans - current is net of provision of ₹ 33.00 crore (Previous Year ₹ 1.15 crore) against restructured advance and additional interest.

24 Current investments

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
INVESTMENT IN A SUBSIDIARY [see note 3(d)& (e)]		
Equity shares	–	344.08
Preference shares	–	122.94
	–	467.02
OTHER INVESTMENTS		
Equity shares [see note (a)]	29.63	63.69
Debentures & bonds	3,202.06	903.82
Pass through certificates	0.25	0.41
Certificate of deposits	773.68	1,085.27
Commercial papers	1,847.61	72.53
Government securities	4,934.54	33.95
Treasury bills [see note 13(b) & 13(c)]	2,256.42	4,496.43
Mutual funds [see note (b)]	2,345.70	337.34
	15,389.89	6,993.44
TOTAL CURRENT INVESTMENTS	15,389.89	7,460.46
Less: Provision for diminution in value of investments	24.97	40.00
NET CURRENT INVESTMENTS	15,364.92	7,420.46

(a) Aggregate amount of quoted investments		
Cost	29.63	63.69
Market value	4.69	24.07
(b) Aggregate amount of investments in unquoted mutual funds		
Cost	2,345.70	337.34
Market value (Net asset value)	2,384.34	345.74
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	13,014.56	7,059.43

25 Trade receivables (unsecured)

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
CONSIDERED GOOD		
Outstanding for a period less than six months from the date they are due for payment [see note (a)]	44.13	655.42
Outstanding for a period exceeding six months from the date they are due for payment	0.73	2.57
CONSIDERED DOUBTFUL		
Outstanding for a period less than six months from the date they are due for payment	–	0.11
Outstanding for a period exceeding six months from the date they are due for payment [see note (b)]	3.25	109.65
	3.25	109.76
Less: Provision against doubtful receivables	3.25	109.76
	–	–
TOTAL	44.86	657.99

- (a) Includes ₹ 21.71 crore (Previous Year ₹ 632.64 crore) on deals recognised on trade date basis, subsequently realised.
- (b) During the year ended March 31, 2015, the Holding Company has written off debts of ₹ 102.97 crore (Previous Year ₹ Nil). The provision against the debt has been reversed.

26 Cash and bank balances

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
CASH AND CASH EQUIVALENTS [see note (d)]		
Cash on hand	0.01	0.02
Cheques on hand	87.13	3.36
Balances with banks:		
In current accounts	103.81	128.68
In deposit accounts	34.16	187.37
	225.11	319.43
OTHERS		
Balances with banks:		
In earmarked accounts:		
- unclaimed dividend	1.78	1.60
- unclaimed interest	17.99	15.76
In deposit accounts [see note (a), (b) & (c)]	55.20	53.59
	74.97	70.95
TOTAL	300.08	390.38

- (a) Balances with banks in deposit accounts include deposits under lien of ₹ Nil (Previous Year ₹ 4.00 crore) to the National Securities Clearing Corporation Limited for meeting margin requirements.
- (b) Balances with banks include deposits under lien of ₹ 32.70 crore (Previous Year ₹ 49.59 crore) against bank guarantees and overdraft facility.
- (c) Balances with banks include deposits of ₹ 47.45 crore (Previous Year ₹ 24.95 crore) having original maturity of more than 12 months.
- (d) Cash and cash equivalents as referred in the Cash Flow Statement.

27 Revenue from operations

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Interest [see note (a)]	8,068.80	7,544.19
Other financial services [see note (b)]	560.89	575.05
Dividend income [see note (c)]	26.06	20.24
Net profit on sale of investments [see note (d)]	936.03	597.88
Brokerage	36.60	24.03
Other operating income [see note (e)]	11.44	10.65
TOTAL	9,639.82	8,772.04

(a) DETAILS OF INTEREST INCOME			(₹ IN CRORE)
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014	
Interest on loans [see note (i)]	6,434.60	6,732.59	
Interest on deposits and loan to a financial institution	24.87	19.01	
Interest on investments			
Current investments	979.41	640.13	
Long-term investments	629.92	152.46	
TOTAL	8,068.80	7,544.19	

(i) Interest on loans includes interest on debentures & bonds of ₹ 69.29 crore (Previous Year ₹ 216.21 crore).

(b) DETAILS OF INCOME FROM OTHER FINANCIAL SERVICES			(₹ IN CRORE)
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014	
Fees (net) [see note (i)]	560.76	575.03	
Profit amortised on assignment / sale of loans	0.13	0.02	
TOTAL	560.89	575.05	

(i) Fees income is net of fees shared on sell down of loans of ₹ 0.10 crore (Previous Year ₹ Nil).

(c) DETAILS OF DIVIDEND INCOME			(₹ IN CRORE)
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014	
Current investments	0.92	2.13	
Long-term investments	25.14	18.11	
TOTAL	26.06	20.24	

(d) DETAILS OF NET PROFIT ON SALE OF INVESTMENTS			(₹ IN CRORE)
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014	
Current investments	560.90	277.67	
Long-term investments	375.13	320.21	
TOTAL	936.03	597.88	

(e) DETAILS OF OTHER OPERATING INCOME			(₹ IN CRORE)
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014	
Sale of power	11.33	10.65	
Profit from trading in derivatives	0.11	–	
TOTAL	11.44	10.65	

28 Other income

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Interest on income tax refund	80.12	6.06
Other interest	0.08	0.06
Profit on sale of fixed assets	1.33	10.56
Miscellaneous income [see note 36(ii)]	1.12	1.27
TOTAL	82.65	17.95

29 Employee benefits expense

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Salaries	359.56	262.67
Contribution to provident and other funds [see note 33]	19.04	17.70
Gratuity expense [see note 33]	(0.09)	0.06
Staff welfare expenses	9.64	7.85
TOTAL	388.15	288.28

30 Finance costs

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Interest expense	5,400.51	4,990.13
Other borrowing cost	251.56	64.84
Net loss on foreign currency transactions and translation	5.68	0.27
TOTAL	5,657.75	5,055.24

31 Provisions and contingencies

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Contingent provision against standard assets [see note 12(b)]	(13.59)	7.21
Provision for contingencies	574.14	313.97
Provision against non-performing loans, restructured loans, doubtful debts / advances & others (net)	490.37	282.93
Provision for diminution in value of investments (net)	(37.54)	24.19
TOTAL	1,013.38	628.30

32 Other expenses

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Rent [see note 36(i)]	22.09	18.61
Rates and taxes	15.79	9.76
Electricity	5.42	4.54
Repairs and maintenance		
Buildings	2.21	2.50
Equipments	4.55	3.43
Others	6.23	5.14
Insurance charges	0.78	0.73
Travelling and conveyance	18.62	16.18
Printing and stationery	3.27	3.83
Communication costs	7.83	7.96
Advertising and publicity	13.01	8.82
Professional fees	100.58	45.41
Loss on foreign exchange fluctuation (net)	4.45	0.37
Loss on trading in stock futures	–	0.28
Directors' sitting fees	0.73	0.68
Commission to directors	1.90	1.44
Bad debts written off	0.59	2.50
Loss on retirement of fixed assets (net)	2.46	–
Brokerage	3.29	4.08
Miscellaneous expenses	33.61	21.16
Contribution towards corporate social responsibility (CSR)	48.95	13.01
Auditors' remuneration [see note (a)]	3.41	3.33
Shared service costs recovered [see note (b)]	(0.11)	(1.41)
Other operating expenses	78.69	52.21
TOTAL	378.35	224.56

(a) Break up of auditors' remuneration:

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Audit fees	1.43	1.50
Tax audit fees	0.25	0.24
Taxation matters	0.46	0.43
Other services*	1.11	0.98
Out-of-pocket expenses	0.02	0.05
Service tax	0.41	0.27
	3.68	3.47
Less: Service tax set off claimed	0.27	0.14
TOTAL	3.41	3.33

* excludes ₹ 0.65 crore (Previous Year ₹ Nil) paid by the Holding Company towards certification fees of Qualified Institutional Placement document which has been adjusted against securities premium account.

(b) Shared service costs recovery includes ₹ Nil (Previous Year ₹ 0.44 crore) recovered from an associate company under a shared service agreement and ₹ 0.10 crore (Previous Year ₹ 0.21 crore) recovered from IDFC Foundation.

33 In accordance with Accounting Standard 15 on 'Employee Benefits' as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 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, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Provident fund	9.78	8.32
Pension fund	1.15	1.31
Superannuation fund	1.48	1.21

- 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, 2015		FOR THE YEAR ENDED MARCH 31, 2014	
	FUNDED	NON FUNDED	FUNDED	NON FUNDED
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:				
Liability at the beginning of the year	31.72	0.12	26.75	0.09
Liabilities assumed on acquisition	2.82	-	-	-
Current service cost	5.13	-	4.99	0.05
Interest cost	3.05	-	2.42	0.01
Reversed during the current year	-	(0.12)	-	-
Liabilities settled on divestiture	(0.04)	-	(0.40)	-
Benefits paid	(4.40)	-	(4.03)	(0.03)
Actuarial loss	3.63	-	1.98	β
Liability at the end of the year	41.91	-	31.71	0.12
FAIR VALUE OF PLAN ASSETS:				
Fair value of plan assets at the beginning of the year	29.42	β	26.59	-
Expected return on plan assets	2.33	-	2.19	-
Contributions	9.47	-	4.63	-
Benefits paid	(4.40)	-	(4.03)	-
Reversed during the current year	-	β	-	-
Assets assumed on acquisition	2.63	-	-	-
Actuarial gain / (loss) on plan assets	3.03	-	0.03	-
Fair value of plan assets at the end of the year	42.48	-	29.41	-
Total actuarial loss / (gain) to be recognised	0.60	-	1.95	β
ACTUAL RETURN ON PLAN ASSETS:				
Expected return on plan assets	2.33	-	2.19	-
Actuarial gain / (loss) on plan assets	3.03	-	0.03	-
Actual return on plan assets	5.36	-	2.22	-
AMOUNT RECOGNISED IN THE BALANCE SHEET:				
Liability at the end of the year	41.91	0.12	31.71	0.12
Fair value of plan assets at the end of the year	42.48	-	29.41	-
Reversed during the year	-	(0.12)	-	-
Unrecognised past service cost	0.02	-	(0.05)	-
Amount recognised in the Balance Sheet under 'Loans and advances'	0.76	-	-	-
Amount recognised in the Balance Sheet under				
'Provision for employee benefits'				
Current	0.11	-	2.25	0.03
Non-current	-	-	-	0.09

Employee Benefits Disclosures (continued)

	(₹ IN CRORE)			
	FOR THE YEAR ENDED MARCH 31, 2015		FOR THE YEAR ENDED MARCH 31, 2014	
	FUNDED	NON FUNDED	FUNDED	NON FUNDED
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:				
Current service cost	5.13	–	4.99	0.05
Interest cost	3.05	–	2.42	0.01
Expected return on plan assets	(2.33)	–	(2.19)	–
Net actuarial loss / (gain) to be recognised	0.60	–	1.95	β
Reversed during the year	–	(0.12)	–	–
Recovery of past service cost	–	–	0.08	–
Liabilities assumed on acquisition	0.19	–	–	–
Liabilities settled on divestiture	(0.04)	–	(0.40)	–
Amount not recognised as an asset	0.02	–	–	–
Expense recognised in the Statement of Profit and Loss under 'Employee benefits expense'	6.62	(0.12)	6.86	0.06
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET:				
Opening net liability	2.30	0.12	0.07	0.04
Expense recognised	6.54	(0.12)	6.86	0.06
Contribution by the Group	(9.47)	–	(4.63)	–
Amount recognised in the Balance Sheet under 'Provision for employee benefits' & 'Loans and advances'	0.63	–	2.30	0.12
Expected employer's contribution next year	4.78	–	4.48	0.03

	FOR THE YEAR ENDED					(₹ IN CRORE)
	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2013	MARCH 31, 2012	MARCH 31, 2011	
EXPERIENCE ADJUSTMENTS:						
Defined benefit obligation	41.91	31.83	26.84	21.71	16.75	
Plan assets	42.48	29.41	26.59	13.87	11.96	
Deficit	0.56	(2.42)	(0.25)	(7.84)	(4.79)	
Experience adjustments on plan liabilities	1.09	3.67	(0.12)	1.04	2.74	
Experience adjustments on plan assets	3.03	0.03	1.03	(0.48)	(0.13)	

	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
	(%)	(%)
INVESTMENT PATTERN:		
Insurer managed funds	100.00	100.00
Government securities	49.67	27.06
Deposit and money market securities	6.25	8.48
Debentures / bonds	29.82	51.70
Equity shares	14.26	12.76
PRINCIPAL ASSUMPTIONS:		
Discount rate (p.a.)	7.90 to 8.75	8.85 to 9.20
Expected rate of return on assets (p.a.)	8.00 to 9.00	8.00
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.

34 As per Accounting Standard 18 on 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the related parties of the Group are as follows:

SUBSIDIARIES:

(a) Direct

IDFC Foundation [see note 3(c)]

Galaxy Mercantiles Limited (w.e.f. December 6, 2013, up to September 28, 2014) [see note 3(e)]

Neopro Technologies Private Limited (w.e.f. March 30, 2013, up to September 28, 2014) [see note 3(d)]

JOINTLY CONTROLLED ENTITIES OF IDFC FOUNDATION [see note 3(c)]

- (a) Delhi Integrated Multi-Modal Transit System Limited
- (b) Infrastructure Development Corporation (Karnataka) Limited
- (c) Uttarakhand Infrastructure Development Company Limited
- (d) Rail Infrastructure Development Company (Karnataka) Limited
- (e) Narayana Hrudayalaya Surgical Hospital Private Limited

ASSOCIATES:

(a) Direct

Feedback Infra Private Limited (formerly Feedback Infrastructure Services Private Limited)

Millennium City Expressway Private Limited (w.e.f. from May 19, 2014)

Galaxy Mercantiles Limited (up to December 5, 2013)

(b) Through subsidiaries

Jetpur Somnath Tollways Limited

ENTITIES OVER WHICH CONTROL IS EXERCISED BY IDFC FOUNDATION:

- (a) India PPP Capacity Building Trust

KEY MANAGEMENT PERSONNEL OF THE HOLDING COMPANY:

- (a) Dr. Rajiv B. Lall - Executive Chairman
- (b) Mr. Vikram Limaye - Managing Director & CEO

RELATIVES OF KEY MANAGEMENT PERSONNEL: (WHERE TRANSACTIONS EXIST).

- (a) Ms. Bunty Chand
- (b) Mr. Bharat Mukund Limaye

l) The nature and volume of transactions of the Holding Company with the above mentioned related parties are summarised below:

PARTICULARS	(₹ IN CRORE)											
	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	-	-	0.81	0.81	-	-	-	-	-	-	-	-
Interest	13.80	8.84	42.29	21.24	-	-	-	-	-	-	-	-
Other Income	-	-	-	β	-	-	-	-	-	-	-	-
EXPENDITURE												
Remuneration paid	-	-	-	-	-	-	-	-	8.31	10.42	-	-
Shared service cost recovery	-	-	-	0.44	-	-	-	-	-	-	-	-
Fees paid	0.44	1.55	-	0.08	0.52	1.78	-	0.03	-	-	-	-
CSR contribution	46.50	13.00	-	-	-	-	-	-	-	-	-	-
Interest expense on 80CCF Bonds	-	-	-	-	-	-	-	-	β	β	β	β
Rent paid	-	-	-	-	0.02	0.02	-	-	-	-	-	-

Related Party Disclosures (continued)

PARTICULARS	(₹ IN CRORE)											
	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 / subscription of investments	–	45.34	176.61	34.05	–	–	–	–	–	–	–	–
Sale of fixed assets	–	–	–	–	–	β	–	–	–	–	–	–
Subscription of OCDs	–	–	–	27.56	–	–	–	–	–	–	–	–
Redemption receipt of OCDs	261.05	–	–	–	–	–	–	–	–	–	–	–
Advances recovered	0.50	1.00	–	1.65	–	–	–	–	–	–	–	–
Advances recoverable - balance outstanding	21.00	21.50	–	β	–	–	–	–	–	–	–	–
Loans given	–	–	421.60	–	–	–	–	–	–	–	–	–
Interest accrued on loans - balance outstanding	–	0.08	18.19	9.05	–	–	–	–	–	–	–	–
Outstanding investment in Equity Shares	–	344.08	196.70	20.09	–	–	–	–	–	–	–	–
Outstanding investment in Preference Shares	–	122.95	–	–	–	–	–	–	–	–	–	–
Outstanding other receivables	–	–	0.17	–	–	–	–	–	–	–	–	–
Outstanding investment in Debentures	–	163.68	40.00	40.00	–	–	–	–	–	–	–	–
LIABILITIES / TRANSACTIONS												
Trade payable - balance outstanding	0.13	1.07	–	–	0.60	0.71	–	0.04	–	–	–	–
ESOPs exercised	–	–	–	–	–	–	–	–	–	3.38	–	–
Amount received in advance	–	0.04	0.84	0.48	–	–	–	–	–	–	–	–
80CCF bonds outstanding	–	–	–	–	–	–	–	–	0.01	0.01	0.01	0.01

II) The nature and volume of transactions of the Holding Company with the above mentioned related parties are detailed below:

PARTICULARS	(₹ IN CRORE)											
	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	–	–	0.81	0.81	–	–	–	–	–	–	–	–
Interest income												
Feedback Infra Private Limited	–	–	6.67	5.38	–	–	–	–	–	–	–	–
Galaxy Mercantiles Limited	13.80	8.84	–	15.87	–	–	–	–	–	–	–	–
Millennium City Expressway Private Limited	–	–	35.62	–	–	–	–	–	–	–	–	–
Other income												
Feedback Infra Private Limited	–	–	–	β	–	–	–	–	–	–	–	–
EXPENDITURE												
Remuneration paid												
Dr. Rajiv B. Lall	–	–	–	–	–	–	–	–	4.40	5.56	–	–
Mr. Vikram Limaye	–	–	–	–	–	–	–	–	3.91	4.86	–	–
Shared service cost recovery												
Jetpur Somnath Tollways Limited	–	–	–	0.44	–	–	–	–	–	–	–	–
Fees paid												
IDFC Foundation	0.44	1.55	–	–	–	–	–	–	–	–	–	–
Feedback Infra Private Limited	–	–	–	0.08	–	–	–	–	–	–	–	–
India PPP Capacity Building Trust	–	–	–	–	–	–	–	0.03	–	–	–	–
Uttarakhand Infrastructure Development Company Limited	–	–	–	–	0.18	0.57	–	–	–	–	–	–
Delhi Integrated Multi-Modal Transit System Limited	–	–	–	–	0.02	–	–	–	–	–	–	–

Related Party Disclosures (continued)

PARTICULARS	(₹ IN CRORE)											
	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
EXPENDITURE (continued)												
Infrastructure Development Corporation (Karnataka) Limited	–	–	–	–	0.32	1.21	–	–	–	–	–	–
CSR contribution												
IDFC Foundation	46.50	13.00	–	–	–	–	–	–	–	–	–	–
Interest expense on 80CCF Bonds												
Dr. Rajiv B. Lall	–	–	–	–	–	–	–	–	β	β	–	–
Mr. Vikram Limaye	–	–	–	–	–	–	–	–	β	β	–	–
Ms. Bunty Chand	–	–	–	–	–	–	–	–	–	–	β	β
Mr. Bharat Mukund Limaye	–	–	–	–	–	–	–	–	–	–	β	β
Rent paid												
Infrastructure Development Corporation (Karnataka) Limited	–	–	–	–	0.02	0.02	–	–	–	–	–	–
ASSETS / TRANSACTIONS												
Purchase / subscription of investments												
Galaxy Mercantiles Limited	–	45.34	–	34.05	–	–	–	–	–	–	–	–
Millennium City Expressway Private Limited	–	–	176.61	–	–	–	–	–	–	–	–	–
Sale of fixed assets												
Infrastructure Development Corporation (Karnataka) Limited	–	–	–	–	–	β	–	–	–	–	–	–
Subscription of OCDs												
Galaxy Mercantiles Limited	–	–	–	27.56	–	–	–	–	–	–	–	–
Redemption receipt of OCDs												
Galaxy Mercantiles Limited	261.05	–	–	–	–	–	–	–	–	–	–	–
Advances recovered												
Galaxy Mercantiles Limited	–	–	–	1.65	–	–	–	–	–	–	–	–
IDFC Foundation	0.50	1.00	–	–	–	–	–	–	–	–	–	–
Advances recoverable - balance outstanding												
IDFC Foundation	21.00	21.50	–	–	–	–	–	–	–	–	–	–
Feedback Infra Private Limited	–	–	–	β	–	–	–	–	–	–	–	–
Loans given												
Millennium City Expressway Private Limited (net of repayments)	–	–	421.60	–	–	–	–	–	–	–	–	–
Interest accrued on loans - balance outstanding												
Galaxy Mercantiles Limited	–	0.08	–	–	–	–	–	–	–	–	–	–
Feedback Infra Private Limited	–	–	14.52	9.05	–	–	–	–	–	–	–	–
Millennium City Expressway Private Limited	–	–	3.67	–	–	–	–	–	–	–	–	–
Outstanding investment in Equity Shares												
Feedback Infra Private Limited	–	–	20.09	20.09	–	–	–	–	–	–	–	–
Millennium City Expressway Private Limited	–	–	176.61	–	–	–	–	–	–	–	–	–
Galaxy Mercantiles Limited	–	153.20	–	–	–	–	–	–	–	–	–	–
Neopro Technologies Private Limited	–	190.88	–	–	–	–	–	–	–	–	–	–
Outstanding investment in Preference Shares												
Galaxy Mercantiles Limited	–	97.91	–	–	–	–	–	–	–	–	–	–
Neopro Technologies Private Limited	–	25.03	–	–	–	–	–	–	–	–	–	–

Related Party Disclosures (continued)

PARTICULARS	(₹ IN CRORE)											
	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 (continued)												
Outstanding other receivables												
Millennium City Expressway Private Limited	–	–	0.17	–	–	–	–	–	–	–	–	–
Outstanding investment in Debentures												
Feedback Infra Private Limited	–	–	40.00	40.00	–	–	–	–	–	–	–	–
Galaxy Mercantiles Limited	–	163.68	–	–	–	–	–	–	–	–	–	–
LIABILITIES / TRANSACTIONS												
Trade Payable - balance outstanding												
IDFC Foundation	0.13	1.07	–	–	–	–	–	–	–	–	–	–
Infrastructure Development Corporation (Karnataka) Limited	–	–	–	–	0.39	0.58	–	–	–	–	–	–
Uttarakhand Infrastructure Development Company Limited	–	–	–	–	0.15	0.13	–	–	–	–	–	–
Delhi Integrated Multi-Modal Transit System Limited	–	–	–	–	0.06	–	–	–	–	–	–	–
India PPP Capacity Building Trust	–	–	–	–	–	–	–	0.04	–	–	–	–
ESOPs exercised												
Mr. Vikram Limaye	–	–	–	–	–	–	–	–	–	3.38	–	–
Amount received in advance												
Feedback Infra Private Limited	–	–	0.84	0.48	–	–	–	–	–	–	–	–
Galaxy Mercantiles Limited	–	0.04	–	–	–	–	–	–	–	–	–	–
80CCF Bonds outstanding												
Dr. Rajiv Lall	–	–	–	–	–	–	–	–	₹	₹	–	–
Mr. Vikram Limaye	–	–	–	–	–	–	–	–	0.01	0.01	–	–
Ms. Bunty Chand	–	–	–	–	–	–	–	–	–	–	₹	₹
Mr. Bharat Mukund Limaye	–	–	–	–	–	–	–	–	–	–	0.01	0.01

35 The Group is engaged in financing by way of loans, asset management and investment banking. 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 under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Segment information for asset management, investment banking and institutional broking is grouped under business segment 'Others'.

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
I SEGMENT OPERATING REVENUE		
(a) Financing	9,134.25	8,304.89
(b) Others	577.57	496.05
TOTAL	9,711.82	8,800.94
Less: Inter segment revenue	72.00	28.90
TOTAL OPERATING INCOME	9,639.82	8,772.04
II SEGMENT RESULTS		
(a) Financing	2,051.26	2,355.94
(b) Others	214.75	200.65
(c) Unallocated	80.13	6.06
PROFIT BEFORE TAX	2,346.14	2,562.65
Less: Provision for tax	596.27	738.46
PROFIT AFTER TAX	1,749.87	1,824.19

Notes forming part of the Consolidated Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
III SEGMENT ASSETS		
(a) Financing	84,066.92	72,708.76
(b) Others	1,802.05	1,620.92
(c) Unallocated	1,199.26	833.35
TOTAL	87,068.23	75,163.03
IV SEGMENT LIABILITIES		
(a) Financing	69,561.90	59,946.78
(b) Others	135.96	115.40
(c) Unallocated	49.43	20.26
TOTAL	69,747.29	60,082.44
V CAPITAL EMPLOYED		
(a) Financing	14,505.02	12,761.98
(b) Others	1,666.09	1,505.52
(c) Unallocated	1,149.83	813.09
TOTAL	17,320.94	15,080.59
(₹ IN CRORE)		
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
VI CAPITAL EXPENDITURE (INCLUDING CAPITAL WORK-IN-PROGRESS)		
(a) Financing	43.93	12.64
(b) Others	5.54	3.83
TOTAL	49.47	16.47
VII DEPRECIATION AND AMORTISATION		
(a) Financing	(60.73)	24.30
(b) Others	(0.57)	6.66
TOTAL	(61.30)	30.96
VIII SIGNIFICANT NON-CASH EXPENSES OTHER THAN DEPRECIATION AND AMORTISATION		
(a) Financing	1,020.45	850.81
(b) Others	2.89	0.10
TOTAL	1,023.34	850.91

36 In accordance with Accounting Standard 19 on 'Leases' as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of operating leases are made:

- i. The Group companies have taken office premises under operating leases, which expire between March 2016 to March 2024 (Previous Year December 2015 to September 2018). Rent includes gross rental expenses of ₹ 8.90 crore (Previous Year ₹ 13.59 crore). The committed lease rentals in the future are:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Not later than one year	27.71	12.84
Later than one year and not later than five years	115.72	10.49
Later than five years	9.95	–

- ii. The Holding Company has given office premises under non-cancellable operating lease, which expired in October 2013 (Previous Year April 2013). Miscellaneous income includes income from such leases of ₹ Nil (Previous Year ₹ 0.97 crore). The future minimum lease rentals is as follows:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Not later than one year	–	–

37 In accordance with Accounting Standard 20 on 'Earnings Per Share' as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014:

- i. The basic earnings per share has been calculated based on the following:

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Net profit after tax	1,706.95	1,802.68
Weighted average number of equity shares	1,556,765,804	1,515,648,733

- ii. The reconciliation between the basic and the diluted earnings per share is as follows:

	(₹)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Basic earnings per share	10.96	11.89
Effect of outstanding stock options	(0.05)	(0.01)
Diluted earnings per share	10.91	11.88

- iii. The basic earnings per share has been computed by dividing the net profit 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 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:

	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Weighted average number of shares for computation of basic earnings per share	1,556,765,804	1,515,648,733
Dilutive effect of outstanding stock options	7,731,566	2,228,919
Weighted average number of shares for computation of diluted earnings per share	1,564,497,370	1,517,877,652

38 Contingent liabilities and commitments (to the extent not provided for):

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(a) CONTINGENT LIABILITIES		
(i) Claims not acknowledged as debts in respect of :		
Income-tax demands under appeal (net of amounts provided)	155.60	140.83
[including ₹ 0.06 crore (Previous Year ₹ 0.01 crore) on account of proportionate share in an associate company]		
Other claims	0.55	8.61
(ii) Guarantees issued:		
As a part of project assistance, the following guarantees have been issued:		
Financial guarantees	158.27	1,356.70
Performance guarantees	19.22	42.47
Sponsors undertaking	25.08	25.08
(iii) Other financial guarantees		
[including ₹ 42.31 crore (Previous Year ₹ 22.89 crore) on account of proportionate share in an associate company]	24.02	10.94
(b) CAPITAL COMMITMENTS		
(i) Uncalled liability on shares and other investments partly paid	1,674.84	2,030.76
(ii) Estimated amount of contracts remaining to be executed on capital account (net of advances)	149.53	99.83
[including ₹ 79.31 crore (Previous Year ₹ 97.91 crore) on account of proportionate share in associate companies]		

39 The Holding Company has entered into interest rate swaps in the nature of 'fixed / floating' or 'floating / fixed' for notional principal of ₹ 4,646.00 crore outstanding as on March 31, 2015 (Previous Year ₹ 4,396.00 crore) for varying maturities linked to various benchmarks for asset liability management and hedging.

The Holding Company has foreign currency borrowings equivalent to ₹ 8,761.93 crore (Previous Year ₹ 7,240.47 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 ₹ 314.53 crore (Previous Year ₹ 391.16 crore) and forward contracts of ₹ 22.85 crore (Previous Year ₹ 14.16 crore) to hedge the foreign currency risk towards interest on the foreign currency borrowings.

40 No amount is payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / payable by the Company during the year to the 'Suppliers' covered 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.

41 Statements to Net Assets as per Schedule III to the Companies Act, 2013

NAME OF THE ENTITY	NET ASSETS, i.e., TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE OF PROFIT / (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%	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%	β
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
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 Securites Singapore Pte. Ltd.	0.03%	4.40	(0.25%)	(4.25)
Minority Interest	(0.26%)	(44.21)	(1.22%)	(20.79)
Associate 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 Expressway 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.

42 The figures for the previous year have been reclassified/ regrouped, wherever necessary to confirm with the current year's classification/ disclosure.

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

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

RAJIV B. LALL
Executive Chairman

VIKRAM LIMAYE
Managing Director & CEO

SUNIL KAKAR
Chief Financial Officer

MAHENDRA N. SHAH
Company Secretary

Mumbai | April 30, 2015

Independent Auditor's 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 March 31, 2015, the Statement of Profit and Loss, 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 these 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

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 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 auditor's 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Registration No. 117366W/W-100018)

P. R. RAMESH

Partner
(Membership No. 70928)
Mumbai, April 30, 2015

Annexure to the Independent Auditors' Report

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

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - During the year, the fixed assets have not been physically verified by the Management. However, 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.
- (ii) According to the information and explanations given to us, the nature of the Company's business is such that it is not required to hold any inventories. Therefore, the provisions of paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the 2013 Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The provisions of clause (3)(vi) of the Order are not applicable to the Company as the services rendered by the Company are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - Details of dues of Income-tax, which have not been deposited as on March 31, 2015 on account of disputes are given below:

NAME OF STATUTE	NATURE OF DUES	FORUM WHERE DISPUTE IS PENDING	PERIOD TO WHICH THE AMOUNT RELATES	AMOUNT INVOLVED (₹ IN CRORE)
Income-tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	A.Y. 2009-10	25.83

- The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Registration No. 117366W/W-100018)

P. R. RAMESH

Partner
(Membership No. 70928)

Mumbai, April 30, 2015

Balance Sheet

AS AT MARCH 31, 2015

	NOTES	AS AT MARCH 31, 2015	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
EQUITY AND LIABILITIES				
SHAREHOLDERS' FUNDS				
(a) Share capital	4	1,592.78		1,516.29
(b) Reserves and surplus	5	15,336.74		13,192.66
			16,929.52	14,708.95
SHARE APPLICATION MONEY PENDING ALLOTMENT				
	6		2.22	0.12
NON-CURRENT LIABILITIES				
(a) Long-term borrowings	7	42,918.69		39,320.09
(b) Other long-term liabilities	8	355.43		530.46
(c) Long-term provisions	9	136.82		150.41
			43,410.94	40,000.96
CURRENT LIABILITIES				
(a) Short-term borrowings	10	12,085.77		6,932.53
(b) Trade payables	11	430.71		791.69
(c) Other current liabilities	12	13,135.97		10,863.08
(d) Short-term provisions	13	524.67		467.00
			26,177.12	19,054.30
TOTAL			86,519.80	73,764.33
ASSETS				
NON-CURRENT ASSETS				
(a) Fixed assets				
(i) Tangible assets	14(a)	357.36		275.87
(ii) Intangible assets	14(b)	1.79		1.80
(iii) Intangible assets under development		13.69		0.90
			372.84	278.57
(b) Non-current investments	15		15,879.98	5,177.81
(c) Deferred tax assets (net)	16		745.70	487.20
(d) Long-term loans and advances				
(i) Loans	17	47,172.47		50,049.94
(ii) Others	18	561.59		519.36
			47,734.06	50,569.30
(e) Other non-current assets	19		207.83	174.06
			64,940.41	56,686.94
CURRENT ASSETS				
(a) Current investments	20		14,606.91	6,021.07
(b) Trade receivables	21		26.08	643.10
(c) Cash and bank balances	22		181.35	217.46
(d) Short-term loans and advances				
(i) Loans	17	5,254.16		8,495.59
(ii) Others	18	492.00		510.29
			5,746.16	9,005.88
(e) Other current assets	19		1,018.89	1,189.88
			21,579.39	17,077.39
TOTAL			86,519.80	73,764.33

See accompanying notes forming part of the financial statements (see note 1 to 52).

IN TERMS OF OUR REPORT ATTACHED

FOR DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Registration No. 117366W/W-100018)

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

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

RAJIV B. LALL
Executive Chairman

VIKRAM LIMAYE
Managing Director & CEO

Mumbai | April 30, 2015

SUNIL KAKAR
Chief Financial Officer

MAHENDRA N. SHAH
Company Secretary

Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
(₹ IN CRORE)			
I INCOME			
Revenue from operations	23	9,131.82	8,214.21
Other income	24	80.81	17.72
TOTAL INCOME (I)		9,212.63	8,231.93
II EXPENSES			
Employee benefits expense	25	213.46	129.00
Finance costs	26	5,642.08	5,006.96
Provisions and contingencies	27&50(a)	1,018.55	628.83
Other expenses	28	206.54	84.66
Depreciation and amortisation expense	14(a),(b)&(c)	(60.77)	24.29
TOTAL EXPENSES (II)		7,019.86	5,873.74
III PROFIT BEFORE TAX (I - II)		2,192.77	2,358.19
IV TAX EXPENSE			
Current tax		908.00	824.00
Deferred tax	16	(290.81)	(112.88)
Tax adjustment for prior years	16	(109.91)	(54.05)
TOTAL TAX EXPENSE (IV)		507.28	657.07
V PROFIT AFTER TAX (III-IV)		1,685.49	1,701.12
VI EARNINGS PER EQUITY SHARE (Nominal value of share ₹ 10 each)	36		
Basic (₹)		10.83	11.22
Diluted (₹)		10.77	11.21

See accompanying notes forming part of the financial statements (see note 1 to 52).

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 30, 2015

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

RAJIV B. LALL
Executive Chairman

SUNIL KAKAR
Chief Financial Officer

VIKRAM LIMAYE
Managing Director & CEO

MAHENDRA N. SHAH
Company Secretary

Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2015

		FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2015	(₹ IN CRORE) FOR THE YEAR ENDED MARCH 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT BEFORE TAX			2,192.77	2,358.19
Adjustments for:				
Depreciation and amortisation expense	14(a)&(b)	(60.77)		24.29
Provision for employee benefits		(0.14)		0.01
Provisions and contingencies	27	1,018.55		628.83
Interest expense	26	5,385.67		4,943.41
Interest income	23(a)	(8,031.09)		(7,477.09)
Provision utilised against non-performing loans / other receivables		(102.97)		(163.70)
Unrealised loss on foreign currency revaluation		523.27		221.44
Profit on sale of investments in group companies	24	(1.00)		(0.68)
Profit on sale of other investments (net)	23(d)	(900.14)		(549.81)
(Utilisation) / write back of securities premium account (gross of tax)	5(a)	-		0.14
Amortisation / (write back) of premium on long term investments		9.96		(9.26)
(Profit) / loss on sale of fixed assets (net)	24	(1.28)		(10.61)
Interest paid		(5,063.44)		(5,078.02)
Interest received		8,146.47		7,423.52
Gain on buy back of debentures and commercial papers		-		(1.27)
			923.09	(48.80)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES			3,115.86	2,309.39
CHANGES IN WORKING CAPITAL:				
Adjustments for (increase) / decrease in operating assets				
Trade receivables		114.98		(1.56)
Long-term loans and advances		(54.97)		26.87
Short-term loans and advances		(70.90)		1.55
Other non-current assets		22.85		(11.88)
Other current assets		(33.42)		17.01
Adjustments for increase / (decrease) in operating liabilities				
Trade payables		120.43		8.21
Other long-term liabilities		(10.63)		(3.81)
Other current liabilities		(15.39)		31.56
			72.95	67.95
Direct taxes paid			(865.36)	(902.90)
CASH GENERATED FROM OPERATIONS			2,323.45	1,474.44
Loans (disbursed) / repaid (net)			4,952.95	(3,078.76)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES			7,276.40	(1,604.32)

Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	FOR THE YEAR ENDED MARCH 31, 2015	(₹ IN CRORE) FOR THE YEAR ENDED MARCH 31, 2014
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets (including intangible assets under development)		(38.00)	(12.62)
Sale of fixed assets		5.78	12.04
Investments / subscription of shares in subsidiaries		(340.05)	(217.73)
Purchase of other investments		(699,620.91)	(496,733.50)
Sale proceeds / repayments of investments in subsidiaries		976.87	6.68
Sale proceeds of other investments		680,746.92	497,498.52
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		(18,269.39)	553.39
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from fresh issue of shares (net of issue expenses)		1,021.00	6.83
Proceeds from borrowings		2,952,181.88	928,929.73
Repayment of borrowings		(2,941,820.33)	(923,027.72)
Buy back of debentures and commercial papers		-	(4,310.73)
Dividend paid (including dividend distribution tax)		(446.58)	(452.28)
NET CASH FROM FINANCING ACTIVITIES		10,935.97	1,145.83
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(57.02)	94.90
Cash and cash equivalents as at the beginning of the year	22	196.10	101.20
Cash and cash equivalents as at the end of the year	22	139.08	196.10
		(57.02)	94.90

See accompanying notes forming part of the financial statements.

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 30, 2015

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

RAJIV B. LALL
Executive Chairman

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MAHENDRA N. SHAH
Company Secretary

01 Corporate information

IDFC Limited ('the Company') is a public company incorporated in India and regulated by the Reserve Bank of India ('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. In April 2014, the Company had received in principle approval from the RBI to set up a new private sector bank.

In order to achieve, a RBI compliant corporate structure under the new banking guidelines and for corporate restructuring, the Company has filed a Scheme of Arrangement before the Hon'ble Madras High Court ('High Court') on April 13, 2015 under section 391-394 of the Companies Act, 1956 to demerge its financial undertaking into its subsidiary, IDFC Bank Limited.

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') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of 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. [see note 3 (h)]

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 specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the 2013 Act / Companies Act, 1956. 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

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

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 de-recognition 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

Having regard to the Part C of Schedule II of the 2013 Act, during the year ended March 31, 2015 the Company has reviewed its policy of providing for depreciation on its tangible fixed assets and also reassessed their useful lives. On and from April 1, 2014, the straight line method is being used to depreciate all classes of tangible fixed assets except in respect of following categories of assets, in which case life of asset has been assessed based on the management estimate [see note 14(c)].

- i) Mobile phones
- ii) 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.

A comparative table with respect to depreciation rates based on old and new method is produced below:

TYPE OF ASSETS	OLD METHOD		NEW METHOD		
	METHOD OF DEPRECIATION	RATE OF DEPRECIATION	METHOD OF DEPRECIATION	USEFUL LIFE (NO OF YEARS)	RATE OF DEPRECIATION
Land	NA	0%	NA	NA	0%
Building (RCC construction)	WDV	5.00%	SLM	60	1.67%
Building (other than RCC construction)	WDV	5.00%	SLM	30	3.33%
Computers - servers and others	WDV	40.00%	SLM	6	16.67%
Computers - laptops and desktop	WDV	40.00%	SLM	3	33.33%
Vehicles	WDV	25.89%	SLM	4	25.00%
Wind mills	WDV	15.33%	SLM	8	12.50%
Leasehold improvements	SLM	Over the primary period of Lease	SLM	Over the extended period of Lease	Variable
Furniture and fixtures	WDV	18.10%	SLM	10	10.00%
Office equipment	WDV	13.91%	SLM	5	20.00%
Blackberry / mobiles	SLM	50.00%	SLM	2	50.00%

(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. Present estimate of useful life of intangible assets are determined as three years.

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

(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 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 accounted on accrual basis.
- Income from trading in derivatives is recognised on final settlement or squaring up of the contracts.

(o) Segment Reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. 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. During the current year, these activities also involved steps taken towards transitioning into the proposed bank. In view of the transitional nature of activities, these are not considered as reportable segments.

(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 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 applicable tax rates and 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.

(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 0.25% of the outstanding standard assets in accordance with the RBI guidelines.
- In addition, 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 stressed assets that qualifies for deduction under Section 36(1)(vii) 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, 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 of the Company. Certain non performing loans and advances may be 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 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.
- In March 2014, the RBI has issued a Circular for the purpose of early recognition of financial distress, prompt steps for resolution and fair recovery for lenders. As per the Circular, the Company is required to categorize its exposure as Special Mention Account (SMA) based on the past due status, initiate the process for formation of Joint Lender Forum (JLF) and arrive at Corrective Action Plan (CAP) and prescribes accelerated provision for non-compliance of the above. Based on the above Circular, the Company has initiated the required action for formation of JLF and finalization of CAP which are within the control of the Company. The Company has complied with the requirements of the said Circular and hence not required to create accelerated provision.

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 2013 Act 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, 2015		AS AT MARCH 31, 2014	
	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	1,592,780,866	1,592.78	1,516,286,251	1,516.29
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARE CAPITAL		1,592.78		1,516.29

(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, 2015		AS AT MARCH 31, 2014	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
EQUITY SHARES				
Outstanding as at the beginning of the year	1,516,286,251	1,516.29	1,514,727,629	1,514.73
Issued during the year under QIP issue [see note (f)]	73,000,000	73.00	–	–
Issued during the year - stock options exercised under the ESOS [see note (e)]	3,494,615	3.49	1,558,622	1.56
Outstanding as at the end of the year	1,592,780,866	1,592.78	1,516,286,251	1,516.29

(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, 2015 dividend of ₹ 2.60 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 exist 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, 2015		AS AT MARCH 31, 2014	
	NUMBER	% OF HOLDING	NUMBER	% OF HOLDING
President of India	261,400,000	16.41	261,400,000	17.24
Sipadan Investments (Mauritius) Limited	151,145,989	9.49	151,145,989	9.97
National Westminster Bank Plc	–	–	88,666,784	5.85

(d) Shares reserved for issue under stock options

Refer to note (e) for details of shares reserved for issue under the ESOS of the Company.

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

	FOR THE YEAR ENDED MARCH 31, 2015		FOR THE YEAR ENDED MARCH 31, 2014	
	NUMBER		NUMBER	
Outstanding as at beginning of the year	32,889,410		35,568,940	
Add: Granted during the year	3,300,000		2,246,667	
Less: Exercised during the year [see note (a)]	3,494,615		1,558,622	
Less: Lapsed / forfeited during the year	1,209,752		3,367,575	
Outstanding as at the end of the year	31,485,043		32,889,410	

- (f) The Company has 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. The proceeds from the QIP is pending utilisation for investment in IDFC Financial Holding Company Limited for further investment in IDFC Bank Limited in accordance with the objects as set out in the offer document.

05 Reserves and surplus

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(a) SECURITIES PREMIUM ACCOUNT		
Opening balance	5,237.24	5,228.47
Add: premium on issue of equity shares under QIP issue	927.10	–
Add: premium on exercise of stock options under the ESOS	34.46	8.63
Less: premium utilised / (write back) during the year (see note below)	12.69	(0.14)
Closing balance	6,186.11	5,237.24
<p>Share issue expenses amounting to ₹ 12.69 crore (Previous Year ₹ Nil) on account of capital raising under the QIP issue have been utilised against the Securities Premium Account in accordance with Section 52 of the 2013 Act.</p>		
(b) STOCK OPTIONS OUTSTANDING [see note 4(e)]		
Opening balance	25.40	28.86
Less: Transferred to general reserve [see note 5(f)]	0.71	0.29
Less: Stock options exercised / cancelled	6.46	3.17
Closing balance	18.23	25.40
(c) DEBENTURE REDEMPTION RESERVE		
Opening balance	541.60	364.60
Add: Transfer from surplus in the Statement of Profit and Loss	197.90	177.00
Closing balance	739.50	541.60
<p>Debenture Redemption Reserve (DRR) has been created in accordance with Section 71(4) of the 2013 Act in respect of the public issues of long-term Infrastructure Bonds. The 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 Company is not required to create DRR in respect of privately placed debentures under the Rules.</p>		
(d) SPECIAL RESERVE u/s. 36(1)(viii) OF THE INCOME-TAX ACT, 1961 [see note 3(r)]		
Opening balance	2,373.25	1,950.25
Add: Transfer from surplus in the Statement of Profit and Loss [see note 5(g)]	480.00	423.00
Closing balance	2,853.25	2,373.25
(e) SPECIAL RESERVE u/s. 45-IC OF THE RBI ACT, 1934		
Opening balance	2,208.60	1,867.60
Add: Transfer from surplus in the Statement of Profit and Loss [see note 5(g)]	342.00	341.00
Closing balance	2,550.60	2,208.60
(f) GENERAL RESERVE		
Opening balance	799.14	628.74
Add: Transfer from surplus in the Statement of Profit and Loss [see note 5(g)]	–	170.11
Add: Transfer from stock options outstanding [see note 5(b)]	0.71	0.29
Closing balance	799.85	799.14

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(g) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Opening balance	2,007.43	1,874.06
Profit for the year	1,685.49	1,701.12
LESS: APPROPRIATIONS		
TRANSFER TO RESERVES:		
Debenture redemption reserve	197.90	177.00
Special reserve u/s. 36(1)(viii) of the Income-tax Act, 1961 [see note 5(d)]	480.00	423.00
Special reserve u/s. 45-IC of the RBI Act, 1934 [see note 5(e)]	342.00	341.00
General reserve [see note 5(f)]	–	170.11
DIVIDEND & DIVIDEND DISTRIBUTION TAX:		
Proposed dividend on equity shares [₹ 2.60 per share (Previous Year ₹ 2.60 per share)]	414.17	394.24
Dividend on equity shares pertaining to previous year [see note (i)]	0.14	0.15
Tax on proposed equity dividend [see note (ii)]	84.31	67.00
Tax on equity dividend for previous year [see note (i) & (ii)]	(14.80)	(4.75)
Total appropriations	1,503.72	1,567.75
Closing balance	2,189.20	2,007.43
TOTAL RESERVES AND SURPLUS	15,336.74	13,192.66

- (i) In respect of equity shares issued pursuant to exercise of stock options under the ESOS, the Company paid dividend of ₹ 0.14 crore for the year 2013-14 (Previous Year ₹ 0.15 crore for the year 2012-13) as approved by the Shareholders at the respective Annual General Meetings and tax on dividend of ₹ 0.02 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 ₹ 14.83 crore (Previous Year ₹ 4.77 crore) paid by the subsidiary companies under Section 115-O of the Income-tax Act, 1961.

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, 2015		AS AT MARCH 31, 2014	
	NUMBER	(₹ IN CRORE)	NUMBER	(₹ IN CRORE)
Equity shares of face value ₹ 10 each proposed to be issued	164,175	0.16	24,500	0.02
Total amount of securities premium		2.06		0.10
TOTAL		2.22		0.12

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

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
DEBENTURES & BONDS (NON CONVERTIBLE) (SECURED) [see note (a) & (d)]				
Face value	32,535.08	8,941.36	26,462.41	8,396.90
Less: Unexpired discount on zero percent debentures & bonds [see note (c)]	227.35	16.70	281.55	25.58
	<u>32,307.73</u>	<u>8,924.66</u>	<u>26,180.86</u>	<u>8,371.32</u>
TERM LOANS (SECURED) [see note (a)]				
From banks [see note (e)]	2,325.00	780.74	4,380.74	850.00
From others [see note (f)]	840.75	7.59	758.84	–
	<u>3,165.75</u>	<u>788.33</u>	<u>5,139.58</u>	<u>850.00</u>
EXTERNAL COMMERCIAL BORROWINGS (SECURED) [see note (a)]				
From banks [see note (g)]	5,244.90	1,376.98	4,903.95	–
From others [see note (h)]	2,200.31	157.10	2,445.70	197.68
	<u>7,445.21</u>	<u>1,534.08</u>	<u>7,349.65</u>	<u>197.68</u>
SUBORDINATED DEBT FROM THE GOVERNMENT OF INDIA (UNSECURED) [see note (i)]	–	–	650.00	–
Amount disclosed under 'other current liabilities' (see note 12)	–	(11,247.07)	–	(9,419.00)
TOTAL LONG-TERM BORROWINGS	42,918.69	–	39,320.09	–
The above amount includes:				
Secured borrowings [see note (a)]	42,918.69	11,247.07	38,670.09	9,419.00
Unsecured borrowings	–	–	650.00	–
	<u>42,918.69</u>	<u>11,247.07</u>	<u>39,320.09</u>	<u>9,419.00</u>

- (a) Borrowings of ₹ 54,165.76 crore (Previous Year ₹ 48,089.09 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 subsidiaries and affiliates and lien marked assets.
- (b) In terms of the RBI circular (Ref No. DNBS (PD) CC No.381/03.02.001/2014-15 dated July 1, 2014) no borrowings remained overdue as on March 31, 2015 (Previous Year ₹ Nil).
- (c) Unexpired discount is net of ₹ 236.86 crore (Previous Year ₹ 251.00 crore) towards interest accrued but not due.
- (d) Interest and repayment terms of long-term borrowings - debentures and bonds (non convertible) (secured):

RESIDUAL MATURITY	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
Fixed Rate				
Above 5 years	18,853.52	7.75 to 9.68	12,084.53	7.75 to 9.68
3-5 years	4,540.73	8.34 to 9.68	2,036.73	7.98 to 9.45
1-3 years	9,100.83	7.98 to 9.57	12,301.15	7.45 to 9.57
Floating Rate				
3-5 years	–	NA	40.00	MIBOR+150 bps
1-3 years	40.00	MIBOR+150 bps	–	NA
TOTAL	32,535.08		26,462.41	

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

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

RESIDUAL MATURITY	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
(₹ IN CRORE)				
Fixed Rate				
1-3 years	–	NA	255.74	7.41
Floating Rate				
1-3 years	2,325.00	Bank Base rate	4,125.00	Bank Base rate+5 bps
TOTAL	2,325.00		4,380.74	

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

RESIDUAL MATURITY	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
(₹ IN CRORE)				
Fixed Rate				
Above 5 years	102.67	2.00	71.22	2.00
3-5 Years	52.16	2.00	26.59	2.00
1-3 Years	42.92	2.00	18.03	2.00
Floating Rate				
3-5 Years	643.00	Base rate	643.00	Base rate
TOTAL	840.75		758.84	

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

RESIDUAL MATURITY	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
(₹ IN CRORE)				
Floating Rate				
3-5 years	2,816.55	USD 6M LIBOR+185 to 213 bps	2,404.00	USD 6M LIBOR+185 to 250 bps
3-5 years	–	NA	276.25	3M BBSY+270 bps
1-3 years	237.70	3M BBSY+270 bps	–	NA
1-3 years	2,190.65	USD 6M LIBOR+150 to 275 bps	2,223.70	USD 6M LIBOR+150 to 275 bps
TOTAL	5,244.90		4,903.95	

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

RESIDUAL MATURITY	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
(₹ IN CRORE)				
Floating Rate				
Above 5 years	51.55	USD 6M LIBOR+235 bps	130.33	USD 6M LIBOR+235 bps
Above 5 years	1,251.80	USD 3M LIBOR+225 bps	1,352.26	USD 3M LIBOR+225 bps
Above 5 years	231.20	INBMK+183.50 bps	308.27	INBMK+183.50 bps
3-5 years	115.60	INBMK+183.50 bps	–	–
3-5 years	312.95	USD 3M LIBOR+225 bps	38.53	INBMK+183.50 bps
3-5 years	51.54	USD 6M LIBOR+235 bps	150.25	USD 3M LIBOR+225 bps
1-3 years	185.67	USD 6M LIBOR+60.20 to 235 bps	127.05	USD 6M LIBOR+60.20 to 235 bps
1-3 years	–	NA	339.01	USD 6M LIBOR+60.20 to 235 bps
TOTAL	2,200.31		2,445.70	

(i) Interest and repayment terms of subordinated debt from the Government of India (unsecured):

REPAYMENT DATE	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	BALANCE OUTSTANDING	INTEREST RATE (%)	BALANCE OUTSTANDING	INTEREST RATE (%)
(₹ IN CRORE)				
29-Sep-47	–	NA	350.00	5 Year G-Sec+25 bps
17-Mar-47	–	NA	300.00	5 Year G-Sec+25 bps
TOTAL	–		650.00	

08 Other long-term liabilities

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Lease equalisation (see note 35)	0.78	1.46
Interest accrued but not due on borrowings	345.71	483.83
Income received in advance (unearned revenue)	–	1.61
Security deposit	–	8.33
Payables against derivative contracts	8.94	35.23
TOTAL	355.43	530.46

09 Long-term provisions

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Contingent provision against standard assets [see note (a) & (b)]	136.82	150.41
TOTAL	136.82	150.41

(a) A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in terms of the RBI circular (Ref. No. DNBS (PD) CC No.381/03.02.001/2014-15 dated July 1, 2014).

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

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Opening balance	150.41	143.20
Additions / (deductions) during the year	(13.59)	7.21
Closing balance	136.82	150.41

10 Short-term borrowings

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
TERM LOANS (SECURED) [see note (a)]		
From banks	100.00	1,200.00
TERM LOANS (UNSECURED)		
From others	–	10.00
COLLATERALISED BORROWINGS AND LENDING OBLIGATIONS (CBLO) (SECURED) [see note (b)]	6,985.03	1,335.44
REPURCHASE AGREEMENT (REPO) (SECURED) [see note (c)]	4,505.34	1,361.96
COMMERCIAL PAPERS (UNSECURED)		
Face value	500.00	2,771.00
Less: Unexpired discount [see note (d)]	4.60	45.87
	495.40	2,725.13
CASH CREDIT / BANK OVERDRAFT (SECURED) [see note (a)]	–	300.00
TOTAL SHORT-TERM BORROWINGS	12,085.77	6,932.53
The above amount includes:		
Secured borrowings [see note (a)]	11,590.37	4,197.40
Unsecured borrowings	495.40	2,735.13
	12,085.77	6,932.53

(a) Borrowings of ₹ 100.00 crore (Previous Year ₹ 1,500.00 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 and lien marked assets.

(b) Borrowings under CBLO is secured against investments in government securities and treasury bills of ₹ 11,151.12 crore at book value (Previous Year ₹ 2,143.92 crore at book value).

(c) Borrowings under REPO are secured by assignment of government securities and treasury bills of ₹ 4,443.62 crore at book value (Previous Year ₹ 1,364.45 crore at book value).

(d) Unexpired discount on commercial papers is net of ₹ 4.39 crore (Previous Year ₹ 61.35 crore) towards interest accrued but not due.

(e) In terms of the RBI circular (Ref. No. DNBS (PD) CC No.381/03.02.001/2014-15 dated July 1, 2014) no borrowings remained overdue as on March 31, 2015 (Previous Year ₹ Nil).

11 Trade payables

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Payables against derivative contracts	205.43	145.31
Payables against purchase of investments	85.70	574.26
Other trade payables (see note 39)	6.49	2.45
Provision for expenses	133.09	69.67
TOTAL	430.71	791.69

12 Other current liabilities

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Current maturities of long-term borrowings (see note 7)	11,247.07	9,419.00
Interest accrued but not due on borrowings	1,852.65	1,392.30
Income and other amounts received in advance	10.37	29.08
Unclaimed dividend [see note (a)]	1.78	1.60
Unclaimed interest [see note (a)]	17.99	15.76
Security deposit	3.59	2.02
Lease equalisation [see note 35]	0.25	0.70
Other payables		
Payable to gratuity fund [see note 32]	–	0.14
[net of receivable from fund of ₹ 0.20 crore (Previous Year ₹ 0.91 crore)]		
Statutory dues	1.54	2.11
Other liabilities	0.73	0.37
TOTAL	13,135.97	10,863.08

(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.

13 Short-term provisions

	AS AT MARCH 31, 2015	(₹ IN CRORE) AS AT MARCH 31, 2014
Provision for income tax	26.19	5.62
[Net of advance payment of tax of ₹ 881.81 crore (Previous Year ₹ 506.50 crore)]		
Provision for wealth tax	–	0.14
[Net of advance payment of tax of ₹ 0.40 crore (Previous Year ₹ 0.52 crore)]		
Proposed equity dividend [see note 4(b) & 5(g)(i)]	414.17	394.24
Tax on proposed equity dividend [see note 5(g)(ii)]	84.31	67.00
TOTAL	524.67	467.00

14 (a) Tangible assets

	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK		
	Balance as at April 1, 2014	Additions	Disposals	Transfer in / out (see note 1)	Balance as at March 31, 2015	Balance as at April 1, 2014	Depreciation charge for the year	Transition Effect	On disposals	Transfer in / out (see note 1)	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
Land	4.36	-	4.36	-	-	-	-	-	-	-	-	-	4.36
(Previous Year)	-	(4.36)	-	-	(4.36)	-	-	-	-	-	-	(4.36)	-
Buildings													
Own use	290.77	-	-	-	290.77	74.58	5.12	(43.98)	-	-	35.72	255.05	216.19
(Previous Year)	(274.28)	-	(2.32)	(18.81)	(290.77)	(54.18)	(11.18)	-	(1.17)	(10.39)	(74.58)	(216.19)	-
Under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(18.81)	-	-	(18.81)	-	(10.13)	(0.26)	-	-	(10.39)	-	-	-
Leasehold improvements	3.71	8.65	-	-	12.36	1.83	0.73	-	-	-	2.56	9.80	1.88
(Previous Year)	(6.71)	-	(3.00)	-	(3.71)	(4.30)	(0.53)	-	(3.00)	-	(1.83)	(1.88)	-
Furniture and fixtures													
Own use	8.64	1.55	0.21	-	9.98	4.74	0.83	(0.61)	0.12	-	4.84	5.14	3.90
(Previous Year)	(8.76)	(0.40)	(0.94)	(0.42)	(8.64)	(4.70)	(0.72)	-	(0.84)	(0.16)	(4.74)	(3.90)	-
Under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(0.42)	-	-	(0.42)	-	(0.15)	(0.01)	-	-	(0.16)	-	-	-
Vehicles	5.13	7.61	-	-	12.74	1.22	2.50	(0.52)	-	-	3.20	9.54	3.91
(Previous Year)	(1.06)	(4.20)	(0.13)	-	(5.13)	(0.53)	(0.80)	-	(0.11)	-	(1.22)	(3.91)	-
Office equipment													
Own use	10.81	2.48	0.14	-	13.15	5.02	1.44	3.03	0.10	-	9.39	3.76	5.79
(Previous Year)	(10.47)	(0.70)	(0.38)	(0.02)	(10.81)	(4.15)	(1.10)	-	(0.25)	(0.02)	(5.02)	(5.79)	-
Under operating lease	-	-	-	-	-	-	-	-	-	-	-	-	-
(Previous Year)	(0.02)	-	-	(0.02)	-	(0.02)	β	-	-	(0.02)	-	-	-
Computers	11.58	3.74	0.34	-	14.98	9.26	1.70	(0.55)	0.33	-	10.08	4.90	2.32
(Previous Year)	(11.19)	(1.04)	(0.65)	-	(11.58)	(8.63)	(1.26)	-	(0.63)	-	(9.26)	(2.32)	-
Wind mills	101.25	-	-	-	101.25	63.73	4.59	(36.24)	-	-	32.08	69.17	37.52
(Previous Year)	(101.25)	-	-	-	(101.25)	(56.93)	(6.80)	-	-	-	(63.73)	(37.52)	-
TOTAL	436.25	24.03	5.05		455.23	160.38	16.91	(78.87)	0.55		97.87	357.36	275.87
(Previous Year)	(432.97)	(10.70)	(7.42)		(436.25)	(143.72)	(22.66)	-	(6.00)		(160.38)	(275.87)	-

Buildings include ₹ 500 (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)

	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK		
	Balance as at April 1, 2014	Additions	Disposals	Transfer in / out (see note 1)	Balance as at March 31, 2015	Balance as at April 1, 2014	Depreciation charge for the year	Transition Effect	On disposals	Transfer in / out (see note 1)	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
Computer software	14.76	1.18	-	-	15.94	12.96	1.19	-	-	-	14.15	1.79	1.80
(Previous Year)	(13.74)	(1.02)	-	-	(14.76)	(11.33)	(1.63)	-	-	-	(12.96)	(1.80)	-
TOTAL	14.76	1.18	-		15.94	12.96	1.19	-	-		14.15	1.79	1.80
(Previous Year)	(13.74)	(1.02)	-		(14.76)	(11.33)	(1.63)	-	-		(12.96)	(1.80)	-
TOTAL TANGIBLE AND INTANGIBLE ASSETS	451.01	25.21	5.05		471.17	173.34	18.10	(78.87)	0.55		112.02	359.15	277.67
(Previous Year)	(446.71)	(11.72)	(7.42)		(451.01)	(155.05)	(24.29)	-	(6.00)		(173.34)	(277.67)	-

Note: 1. The operating lease relating to certain assets has expired in the previous year.

14 (c) 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 and 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.

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

15 Non-current investments (at cost)

	FACE VALUE (₹)	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
		QUANTITY	(₹ IN CRORE)	QUANTITY	(₹ IN CRORE)
TRADE INVESTMENTS					
INVESTMENTS IN EQUITY SHARES (FULLY PAID)					
SUBSIDIARIES (UNQUOTED)					
IDFC Alternatives Limited	10	219,850	200.05	50,000	0.05
IDFC Asset Management Company Limited	10	2,009,283	629.49	2,009,283	629.49
IDFC AMC Trustee Company Limited	10	37,499	0.05	37,499	0.05
IDFC Finance Limited	10	21,000,200	21.00	21,000,200	21.00
IDFC Foundation	10	13,000,000	13.00	13,000,000	13.00
IDFC Financial Holding Company Limited [see note 34]	10	50,000	0.05	–	–
IDFC Infra Debt Fund Limited [see note 34]	10	152,000,000	152.00	12,000,000	12.00
IDFC Housing Finance Company Limited [see note 34]	10	–	–	12,000,000	12.00
IDFC Primary Dealership Company Limited [see note 34]	10	–	–	200,000,000	200.00
IDFC Projects Limited	10	34,050,000	34.07	34,050,000	34.07
IDFC Securities Limited	10	14,137,200	440.10	14,137,200	440.10
IDFC Trustee Company Limited	10	50,000	0.05	50,000	0.05
ASSOCIATE (UNQUOTED)					
Feedback Infra Private Limited	10	4,026,689	20.09	4,026,689	20.09
Millennium City Expressway Private Limited [see note 34]	10	176,608,965	176.61	–	–
			1,686.56		1,381.90
NON-TRADE INVESTMENTS					
INVESTMENT IN EQUITY SHARES (QUOTED)(FULLY PAID)					
Adani Ports and Special Economic Zone Limited	2	–	–	124,068	1.69
Andhra Cements Limited	10	28,413,482	54.32	28,784,722	55.03
Bharti Airtel Limited	5	–	–	109,800	0.25
DQ Entertainment (International) Limited	10	–	–	255,375	1.74
Gateway Distriparks Limited	10	–	–	80,946	1.20
IRB Infrastructure Developers Limited	10	–	–	162,546	2.37
Jaypee Infratech Limited	10	3,791,842	38.68	3,791,842	38.68
JSW Energy Limited	10	–	–	2,394,595	23.94
KSK Energy Ventures Limited	10	1,028,824	24.69	3,125,000	75.00
Lanco Infratech Limited	1	–	–	6,200,000	11.90
Larsen & Toubro Limited	2	–	–	169,368	13.65
Nava Bharat Ventures Limited	2	–	–	77,247	1.51
PTC India Limited	10	–	–	470,000	2.49
Sanghvi Movers Limited	2	–	–	80,813	0.85
Sarda Energy & Minerals Limited	10	1,207,777	22.95	1,842,105	35.00
SJVN Limited	10	–	–	6,447,279	16.76
Torrent Power Limited	10	–	–	1,056,220	10.39
Tulip Telecom Limited	2	–	–	56,075	0.83
VA Tech Wabag Limited	2	–	–	95,975	4.73
			140.64		298.01
INVESTMENT IN EQUITY SHARES (UNQUOTED)(FULLY PAID)					
Asset Reconstruction Company (India) Limited	10	27,197,743	113.77	27,197,743	113.77
Asia Bio Energy (India) Limited [see note (c)]	10	695,000	2.50	2,500,000	2.50
Athena Energy Ventures Private Limited	10	50,000,000	50.00	50,000,000	50.00
Avantika Gas Limited	10	3,500	β	3,500	β
BSCPL Infrastructure Limited	10	436,300	25.00	436,300	25.00
Coastal Projects Limited	10	3,385,939	67.00	3,385,939	67.00
Ennore SEZ Company Limited	10	25,000	0.03	25,000	0.03
GMR Kamalanga Energy Limited	10	56,750,000	56.75	56,750,000	56.75
<i>Carried forward</i>			315.05		315.05

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

Non-current investments (at cost) (continued)

	FACE VALUE (₹)	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
		QUANTITY	(₹ IN CRORE)	QUANTITY	(₹ IN CRORE)
INVESTMENT IN EQUITY SHARES (UNQUOTED)(FULLY PAID) (Continued)					
<i>Brought forward</i>			315.05		315.05
GMR Energy Limited	10	4,461,184	5.42	4,451,331	5.41
GR Infraprojects Limited	10	136,610	2.83	132,635	2.72
Green Gas Limited	10	10,000	0.01	10,000	0.01
Indian Commodity Exchange Limited	5	10,000,000	5.00	10,000,000	5.00
Indian Energy Exchange Limited	10	–	–	1,250,000	1.25
Indu Projects Limited	10	2,053,480	26.70	2,053,480	26.70
Intarvo Technologies Limited	10	74,694	1.41	71,320	1.41
KMC Constructions Limited	10	542,977	23.90	542,977	23.90
Lanco Amarkantak Power Limited	10	405,000,000	405.00	–	–
National Stock Exchange of India Limited	10	1,756,537	44.02	2,396,410	60.06
Novopay Solutions Private Limited	1	227,145	35.62	–	–
One 97 Communication Limited	10	–	–	121,682	3.02
Petronet CCK Limited	10	19,973,332	19.97	19,973,332	19.97
Pipal Tree Ventures Private Limited	10	192,885	2.25	192,885	2.25
STCI Finance Limited	10	3,530,136	54.04	3,530,136	54.04
SSIPL Retail Limited	10	–	–	304,599	5.00
Uniquet Infra Ventures Private Limited	10	13,714,781	13.71	1,518,071	1.52
			954.93		527.31
INVESTMENT IN PREFERENCE SHARES (UNQUOTED) (FULLY PAID)					
[see note (d)]					
0.10% GMR Energy Limited (convertible)	1,000	238,088	23.88	237,008	23.72
0% Human Value Developers Private Limited (convertible)	10	23,749,200	23.75	23,749,200	23.75
0% Intarvo Technologies Limited (convertible)	10	27,862	0.18	26,595	0.18
0% Moser Baer Solar Limited (optionally convertible)	10	–	–	61,290,000	61.29
0% Regen Powertech Private Limited (convertible)	10	63,501	4.47	62,190	4.39
0.02% Ziqitza Healthcare Limited (convertible)	10	2,209	0.47	2,209	0.47
0% GMR Infrastructure Limited (convertible) Series A	1,000	209,550	20.96	209,550	20.96
0% GMR Infrastructure Limited (convertible) Series B	1,000	209,550	20.96	209,550	20.96
			94.67		155.72
INVESTMENT IN GOVERNMENT SECURITIES (UNQUOTED)					
[SEE NOTE 10(b) & 10 (c)]					
			11,721.62		1,517.07
INVESTMENT IN DEBENTURES & BONDS (UNQUOTED)(FULLY PAID)					
SUBSIDIARY					
IDFC Securities Limited (optionally convertible) [see note 34]	1,000,000	–	–	1,250	125.00
OTHERS					
Axis Bank Limited	1,000,000	250	25.00	250	25.00
Dewan Housing Finance Corporation Limited	1,000,000	150	14.98	150	14.98
HDFC Bank Limited	1,000,000	59	5.90	59	5.90
ICICI Bank Limited	1,000,000	180	18.00	180	18.00
L & T Infrastructure Finance Company Limited	1,000,000	200	19.47	200	19.47
Reliance Gas Transportation Infrastructure Limited	1,000,000	1,824	189.62	1,824	189.62
Sharekhan Limited (convertible)	145.35	3,435,527	49.94	3,435,527	49.94
Sharekhan Limited (convertible)	264.27	567,601	15.00	567,601	15.00
Sundaram Finance Limited	1,000,000	250	24.90	250	24.90
Shriram Transport Finance Company Limited	1,000,000	545	54.82	545	54.82
Vizag General Cargo Berth Private Limited	1,000,000	1,250	122.95	1,250	122.95
			540.58		665.58

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

Non-current investments (at cost) (continued)

	FACE VALUE (₹)	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
		QUANTITY (₹ IN CRORE)		QUANTITY (₹ IN CRORE)	
INVESTMENT IN VENTURE CAPITAL UNITS (UNQUOTED) [see note (d)]					
Faering Capital India Evolving Fund (fully paid)	1,000	271,074	27.11	170,564	17.06
LICHFL Urban Development Fund (₹ 3,145.43 paid) (Previous Year ₹ 2,870 paid)	10,000	20,000	4.95	20,000	5.74
India Infrastructure Fund - Class B (fully paid)	1	4,070	B	4,070	B
IDFC Project Equity Domestic Investors Trust I (fully paid)	100	32,512,080	325.12	33,143,680	331.44
IDFC Project Equity Domestic Investors Trust II (fully paid)	100	513,070	5.13	506,318	5.06
IDFC Private Equity Fund II - Class A (₹ 9.20 paid) (Previous Year ₹ 5.21 paid)	10	135,000,000	40.91	135,000,000	70.35
IDFC Private Equity Fund II - Class C (fully paid)	10	6,621	0.01	6,621	0.01
IDFC Private Equity Fund III - Class A (₹ 7.11 paid) (Previous Year ₹ 6.27 paid) (commitment restricted to ₹ 7.14 per unit)	10	280,000,000	184.79	280,000,000	179.27
IDFC Private Equity Fund III - Class B (fully paid)	10	3,571	B	3,571	B
IDFC Private Equity Fund III - Class C (₹ 7.02 paid) (Previous Year ₹ 5.85 paid) (commitment restricted to ₹ 7.14 per unit)	10	1,350,000	0.88	1,350,000	0.84
IDFC Private Equity Fund III - Class D (₹ 9.68 paid) (Previous Year ₹ 8.95 paid)	10	79,996,000	77.44	79,996,000	71.66
IDFC Private Equity Fund III - Class E (fully paid)	10	1,429	B	1,429	B
IDFC Private Equity Fund III - Class F (₹ 9.64 paid) (Previous Year ₹ 8.91 paid)	10	385,695	0.37	385,695	0.34
IDFC Spice Fund (fully paid)	1	350,152,625	35.02	244,843,565	24.49
Urban Infrastructure Opportunities Fund - Class A (fully paid)	86,160	2,700	23.66	2,700	23.82
India Infrastructure Fund II - Class A5 (₹ 6.28 paid) (Previous Year ₹ 1 paid)	100	55,000,000	34.52	46,797,050	4.68
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	B	–	–
IDFC Real Estate Yield Fund - Class A3 (₹ 511.02 paid) (Previous Year ₹ 400 paid)	1,000	499,000	22.20	291,416	11.68
			797.11		746.44
INVESTMENT IN SECURITY RECEIPTS (UNQUOTED) (see note 44)					
Asset Reconstruction Company (India) Limited			118.94		118.94
Edelweiss Asset Reconstruction Company Limited			77.52		77.51
Phoenix Asset Reconstruction Company Private Limited			45.79		–
			242.24		196.45
TOTAL NON-CURRENT INVESTMENTS			16,178.35		5,488.48
Less: Provision for diminution in value of investments [see note (f)]			286.98		309.24
Less: Premium amortised on debentures, bonds & government securities			11.39		1.43
NET NON-CURRENT INVESTMENTS			15,879.98		5,177.81
(a) Aggregate amount of quoted investments					
Cost			140.64		298.01
Market value			52.63		152.18
(b) Aggregate amount of unquoted investments - cost			16,037.71		5,190.47
(c) Excludes 1,805,000 shares (Previous Year Nil) since the Company has no beneficial interest.					
(d) Investments include ₹ Nil (Previous Year ₹ 0.47 crore) in respect of preference shares and ₹ 797.11 crore (Previous Year ₹ 746.44 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 against investment in a subsidiary company of ₹ 13.00 crore (Previous Year ₹ Nil).					

16 Deferred tax assets (net)

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
DEFERRED TAX ASSET		
(a) Provisions	805.35	514.02
(b) Others	(14.28)	2.57
	791.07	516.59
DEFERRED TAX LIABILITY		
(a) Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged to the Statement of Profit and Loss	45.37	29.39
DEFERRED TAX ASSETS (NET)	745.70	487.20

In compliance with Accounting Standard 22 on 'Accounting for Taxes on Income' as specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014, the Company has taken credit of ₹ 290.81 crore (Previous Year ₹ 112.88 crore) in the Statement of Profit and Loss towards deferred tax assets (net) on account of timing differences. Deferred tax liability for the year ended March 31, 2015 of ₹ 32.31 crore (Previous Year ₹ 18.88 crore) is created on account of tax adjustment of prior year. Tax adjustment of prior year also includes ₹ 0.38 crore (Previous Year ₹ Nil) on account of refund of interest tax.

17 Loans

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Rupee loans [see note (a), (d) & (e)]	49,293.18	5,342.93	50,807.63	8,000.49
Debentures & bonds [see note (a), (c) & (e)]	–	109.25	453.68	567.50
	49,293.18	5,452.18	51,261.31	8,567.99
Less: Provision against non-performing loans [see note (d)]	39.98	198.02	40.00	72.40
Less: Provision against restructured loans and others (see note 47)	493.24	–	158.03	–
Less: Provision for contingencies	1,587.49	–	1,013.34	–
TOTAL	47,172.47	5,254.16	50,049.94	8,495.59
(a) The above amount includes				
Secured [see note (b)]	40,365.47	4,039.08	42,285.17	7,876.21
Unsecured	8,927.71	1,413.10	8,976.14	691.78
	49,293.18	5,452.18	51,261.31	8,567.99

(b) Loans to the extent of ₹ 44,404.55 crore (Previous Year ₹ 50,161.38 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.

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

(c) Loans includes debentures of ₹ 109.25 crore (Previous Year ₹ 1,021.18 crore) as detailed below:

	FACE VALUE (₹)	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
		QUANTITY (₹ IN CRORE)	QUANTITY (₹ IN CRORE)	QUANTITY (₹ IN CRORE)	QUANTITY (₹ IN CRORE)
DEBENTURES (REDEEMABLE)					
Associate					
Feedback Infra Private Limited	1,000	400,000	40.00	400,000	40.00
DEBENTURES (CONVERTIBLE)					
Subsidiary					
Galaxy Mercantiles Limited	20,000	–	–	81,842	163.68
Others					
Coastal Projects Limited	1,000,000	1,000	33.00	1,000	33.00
Mytrah Energy (India) Limited	300	–	–	5,000,000	150.00
Regen Powertech Private Limited	100,000	3,625	36.25	10,000	100.00
Simpson Unitech Wireless Private Limited	10	–	–	534,500,000	534.50
TOTAL			109.25		1,021.18

(d) Loans includes non-performing loans of ₹ 357.57 crore (Previous Year ₹ 332.98 crore) against which provisions of ₹ 238.00 crore (Previous Year ₹ 112.40 crore) has been made in accordance with the RBI circular (Ref. No. DNBS (PD) CC No.381/03.02.001/2014-15 dated July 1, 2014). [see note (e) & 40(j)].

(e) The classification of loans under the RBI guidelines is as under:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(i) Standard assets	54,387.79	59,496.32
(ii) Sub-standard assets	348.42	332.98
(iii) Doubtful assets	9.15	–
(iv) Loss assets	–	–
	54,745.36	59,829.30

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

18 Loans and advances - others (considered good, unless stated otherwise)

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
UNSECURED				
Inter corporate deposits to related party [see note 34]	-	150.00	-	-
Inter corporate deposits to others	-	-	-	19.00
Loans and advances to related parties [see note 34] [includes ₹ 53.22 crore (Previous Year ₹ 45.22 crore) considered doubtful]	-	123.76	-	83.40
Receivables against derivative contracts	88.50	234.84	206.56	438.48
Loans and advances to employees	1.00	0.19	1.00	0.07
Advance against investments	-	-	-	β
Security deposits	46.56	5.15	19.05	10.72
Other deposits	-	22.54	-	0.03
Advance payment of income tax [net of provision of ₹ 2,783.30 crore (Previous Year ₹ 3,310.60 crore)]	405.00	-	284.99	-
Other loans and advances				
Supplier advances	-	1.95	-	0.66
Capital advances	5.51	-	0.05	-
Prepaid expenses	-	6.09	-	2.23
Balance with defined benefit plan [see note 32]	-	0.20	-	-
Balances with government authorities - cenvat credit available	-	0.46	-	0.81
Stamp Paper on hand	-	0.04	-	0.11
Initial margin account - stock futures	-	-	0.60	-
Initial margin account - government securities	15.02	-	7.11	-
	561.59	545.22	519.36	555.51
Less: Provision against doubtful advances	-	53.22	-	45.22
TOTAL	561.59	492.00	519.36	510.29

19 Other assets (considered good, unless stated otherwise)

	(₹ IN CRORE)			
	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	NON-CURRENT	CURRENT	NON-CURRENT	CURRENT
Other receivables [includes ₹ 1.29 crore (Previous Year ₹ 0.72 crore) considered doubtful]	-	1.35	-	0.77
Less: Provision against doubtful receivables	-	1.29	-	0.72
	-	0.06	-	0.05
Interest accrued on deposits & loan to financial institution	-	1.38	-	0.15
Interest accrued on investments	-	521.83	-	83.69
Interest accrued on loans [see note (a)]	158.83	439.47	102.20	1,050.84
Unamortised expenses				
Premium on forward contracts	-	33.77	-	32.71
Ancillary borrowing costs	49.00	22.38	71.86	22.44
TOTAL	207.83	1,018.89	174.06	1,189.88

(a) Interest accrued on loans - current is net of provision of ₹ 33.00 crore against restructured advances (Previous Year ₹ 1.15 crore against additional interest).

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

20 Current investments

	FACE VALUE (₹)	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
		QUANTITY (₹ IN CRORE)		QUANTITY (₹ IN CRORE)	
CURRENT INVESTMENTS					
(LOWER OF COST AND FAIR VALUE / MARKET VALUE)					
TRADE INVESTMENTS					
INVESTMENT IN EQUITY SHARES (UNQUOTED) (FULLY PAID)					
Subsidiaries					
Neopro Technologies Private Limited - Class A	10	–	–	259,504	137.88
Neopro Technologies Private Limited - Class B	10	–	–	10	0.01
Neopro Technologies Private Limited - Ordinary shares	10	–	–	85,961	52.99
Galaxy Mercantiles Limited - Class A	100	–	–	84,472	152.85
Galaxy Mercantiles Limited - Class B	100	–	–	100	0.14
Galaxy Mercantiles Limited - Class C	100	–	–	100	0.21
					344.08
INVESTMENT IN PREFERENCE SHARES (UNQUOTED) (FULLY PAID)					
Subsidiaries					
Neopro Technologies Private Limited (redeemable)	10	–	–	42,000	25.03
Galaxy Mercantiles Limited (redeemable)	100	–	–	7,317,329	97.91
					122.94
Others					
Galaxy Mercantiles Limited (redeemable)	100	84,602	12.66	–	–
			12.66		–
NON-TRADE INVESTMENTS					
INVESTMENT IN EQUITY SHARES (QUOTED) (FULLY PAID)					
Hathway Cable & Datacom Limited	10	–	–	236,129	5.67
RattanIndia Power Limited (Formerly known as Indiabulls Power Limited)	10	3,423,184	15.40	3,423,184	15.40
Vascon Engineers Limited	10	864,225	14.26	864,225	14.26
Jet Airways (India) Limited	10	–	–	553,954	28.39
Deccan Chronicle Holdings Limited	2	1,000	β	1,000	β
			29.66		63.72
INVESTMENT IN DEBENTURES & BONDS (UNQUOTED) (FULLY PAID)					
Food Corporation of India	1,000,000	–	–	2,500	249.80
Housing Development Finance Corporation Limited	1,000,000	10,250	1,025.04	–	–
ICICI Home Finance Limited	1,000,000	38	3.80	38	3.80
India Infrastructure Finance Company Limited	1,000	584,500	58.45	834,500	83.45
Kotak Mahindra Prime Limited	1,000,000	500	44.45	–	–
Kalpataru Power Transmission Limited	1,000,000	1,000	99.85	–	–
L&T Finance Limited	1,000	821,491	82.15	821,491	82.15
L&T Infrastructure Finance Company Limited	1,000,000	50	4.95	50	4.95
LIC Housing Finance Limited	1,000,000	13,550	1,354.96	2,200	220.00
Mahindra & Mahindra Financial Services Limited	1,000,000	3,000	294.78	250	24.90
National Housing Bank	1,000,000	–	–	700	70.00
National Bank for Agriculture and Rural Development	1,000,000	750	75.03	250	25.37
Power Finance Corporation Limited	1,000,000	1,050	105.07	250	25.09
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	190	14.40
Sundaram Finance Limited	1,000,000	–	–	300	29.70
Tata Sons Limited	1,000,000	–	–	350	35.12
The Great Eastern Shipping Company Limited	1,000,000	100	10.09	100	10.09
			3,202.06		878.82

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

Current investments (at cost) (continued)

	FACE VALUE (₹)	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
		QUANTITY (₹ IN CRORE)	QUANTITY (₹ IN CRORE)	QUANTITY (₹ IN CRORE)	QUANTITY (₹ IN CRORE)
INVESTMENT IN PASS THROUGH CERTIFICATES (UNQUOTED)					
India MBS 2002 Certificates Series I D			0.25		0.41
INVESTMENT IN CERTIFICATE OF DEPOSITS WITH SCHEDULED BANKS (UNQUOTED)					
			773.68		1,011.37
INVESTMENT IN COMMERCIAL PAPERS (UNQUOTED)					
			1,847.61		47.87
INVESTMENT IN GOVERNMENT SECURITIES (UNQUOTED) [SEE NOTE 10 (b) & 10 (c)]					
			4,934.54		33.95
INVESTMENT IN TREASURY BILLS (UNQUOTED) [SEE NOTE 10 (b) & 10 (c)]					
			2,256.42		3,554.45
INVESTMENT IN MUTUAL FUNDS (UNQUOTED)					
IDFC Cash Fund Growth Direct Plan	1,000	6,766,845.399	1,150.00	–	–
UTI Money Market Fund Institutional Plan Direct Plan Growth	1,000	2,743,187.616	425.00	–	–
IDFC Money Manager Fund - Treasury - Daily Dividend	10	–	–	3,436,570.801	3.46
			1,575.00		3.46
TOTAL CURRENT INVESTMENTS			14,631.88		6,061.07
Less: Provision for diminution in value of investments			24.97		40.00
NET CURRENT INVESTMENTS			14,606.91		6,021.07

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(a) Aggregate amount of quoted investments		
Cost	29.66	63.72
Market value	4.69	24.07
(b) (i) Aggregate amount of investments in unquoted mutual funds		
Cost	1,575.00	3.46
Market value	1,580.87	3.46
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	13,027.22	5,993.89

21 Trade receivables (unsecured)

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
CONSIDERED GOOD		
Outstanding for a period less than six months from the date they are due for payment [see note (a)]	26.08	643.10
CONSIDERED DOUBTFUL		
Outstanding for a period less than six months from the date they are due for payment	-	0.11
Outstanding for a period exceeding six months from the date they are due for payment [see note (b)]	0.68	109.46
	0.68	109.57
Less: Provision against doubtful receivables	0.68	109.57
	-	-
TOTAL	26.08	643.10

(a) Includes ₹ 21.71 crore (Previous Year ₹ 632.64 crore) on deals recognised on trade date basis, subsequently realised.

(b) During the year ended March 31, 2015, the Company has written off debts of ₹ 102.97 crore (Previous Year ₹ Nil). The provision against the debt has been reversed.

22 Cash and bank balances

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
CASH AND CASH EQUIVALENTS [see note (c)]		
Cash on hand	0.01	0.01
Cheques on hand	87.12	3.36
Balances with banks:		
In current accounts	26.95	91.73
In deposit accounts	25.00	101.00
	139.08	196.10
OTHERS		
Balances with banks:		
In earmarked accounts:		
- unclaimed dividend	1.78	1.60
- unclaimed interest	17.99	15.76
In deposit accounts [see note (a) & (b)]	22.50	4.00
	42.27	21.36
TOTAL	181.35	217.46

(a) Balances with banks in deposit accounts include deposits under lien of ₹ Nil (Previous Year ₹ 4.00 crore), to the National Securities Clearing Corporation Limited for meeting margin requirements.

(b) Balances with banks include deposits of ₹ 22.50 crore (Previous Year ₹ Nil) having original maturity of more than 12 months.

(c) Cash and cash equivalents as referred in the Cash Flow Statement.

23 Revenue from operations

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Interest [see note (a)]	8,031.09	7,477.09
Other financial services [see note (b)]	76.03	129.50
Dividend income [see note (c)]	113.12	47.16
Net profit on sale of investments [see note (d)]	900.14	549.81
Other operating income [see note (e)]	11.44	10.65
TOTAL	9,131.82	8,214.21
(a) DETAILS OF INTEREST INCOME		
Interest on loans [see note (i)]	6,434.54	6,732.59
Interest on deposits and loan to a financial institution	17.80	15.80
Interest on investments		
Current investments	948.83	576.24
Long-term investments	629.92	152.46
TOTAL	8,031.09	7,477.09
(i) Interest on loans includes interest on debentures & bonds of ₹ 69.29 crore (Previous Year ₹ 216.21 crore).		
(b) DETAILS OF INCOME FROM OTHER FINANCIAL SERVICES		
Fees (net) [see note (i)]	75.90	129.48
Profit amortised on assignment / sale of loans	0.13	0.02
TOTAL	76.03	129.50
(i) Fees income is net of fees shared on sell down of loans of ₹ 0.10 crore (Previous Year ₹ Nil).		
(c) DETAILS OF DIVIDEND INCOME		
Current investments	0.03	0.25
Long-term investments		
Subsidiary companies	87.23	28.07
Associate company	0.80	0.81
Others	25.06	18.03
TOTAL	113.12	47.16
(d) DETAILS OF NET PROFIT ON SALE OF INVESTMENTS		
Current investments	437.64	229.62
Long-term investments	462.50	320.19
TOTAL	900.14	549.81
(e) DETAILS OF OTHER OPERATING INCOME		
Profit from trading in derivatives	0.11	-
Sale of power	11.33	10.65
TOTAL	11.44	10.65

24 Other income

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Interest on income tax refund	78.07	5.02
Other interest	0.06	0.06
Profit on sale of long-term investments [see note (a)]	1.00	0.68
Profit on sale of fixed assets (net)	1.28	10.61
Miscellaneous income [see note 35(ii)]	0.40	1.35
TOTAL	80.81	17.72

- (a) Profit on sale of long-term investments of ₹ 1.00 crore for the year ended March 31, 2015 is booked on sale of 100% stake in IDFC Primary Dealership Company Limited and IDFC Housing Finance Company Limited to IDFC Alternatives Limited, a wholly-owned subsidiary of the Company. (Previous Year ₹ 0.68 crore was booked as profit on sale of 49.99% stake in IDFC Pension Fund Management Company Limited, subsidiary of the Company to IDFC Securities Limited, a wholly-owned subsidiary of the Company).

25 Employee benefits expense

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Salaries	198.53	116.94
Contribution to provident and other funds (see note 32)	9.23	7.93
Staff welfare expenses	5.70	4.13
TOTAL	213.46	129.00

26 Finance costs

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Interest expense	5,385.67	4,943.41
Other borrowing costs	250.73	63.23
Net loss on foreign currency transactions and translation	5.68	0.32
TOTAL	5,642.08	5,006.96

27 Provisions and contingencies

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Contingent provision against standard assets [see note 9(b)]	(13.59)	7.21
Provision for contingencies	574.14	313.97
Provision against non-performing loans, restructured loans, doubtful debts / advances & others (net) (see note 44 & 47)	495.54	282.83
Provision for diminution in value of investments (net)	(37.54)	24.82
TOTAL	1,018.55	628.83

28 Other expenses

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Rent [see note (35(i))]	10.23	6.69
Rates and taxes [see note (a)]	14.70	8.80
Electricity	4.16	3.35
Repairs and maintenance		
Buildings	2.22	2.50
Equipments	3.91	2.98
Others	2.61	2.11
Insurance charges	0.23	0.23
Travelling and conveyance	7.54	6.15
Printing and stationery	1.22	1.24
Communication costs	3.54	3.24
Advertising and publicity	1.65	1.29
Professional fees	88.06	21.89
Loss on foreign exchange fluctuation (net)	β	0.01
Loss on trading in stock futures	–	0.28
Directors' sitting fees	0.46	0.29
Commission to directors	1.90	1.44
Bad debts written off	0.36	1.36
Brokerage	0.68	0.81
Miscellaneous expenses	19.11	13.56
Contribution towards Corporate Social Responsibility (CSR)	46.50	13.00
Auditors' remuneration [see note (b)]	1.98	1.88
Shared service costs recovered [see note (c)]	(4.52)	(8.44)
TOTAL	206.54	84.66

(a) Rates and taxes include provision for wealth tax for the current year amounting to ₹ 0.20 crore (Previous Year ₹ 0.14 crore) and securities transaction tax amounting to ₹ 0.17 crore (Previous Year ₹ 0.12 crore).

(b) Break up of auditors' remuneration:

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Audit fees	0.50	0.50
Tax audit fees	0.15	0.15
Taxation matters	0.45	0.41
Other services*	0.74	0.66
Out-of-pocket expenses	0.02	0.04
Service tax	0.23	0.22
	2.09	1.98
Less: Service tax set off claimed	0.11	0.10
TOTAL	1.98	1.88

* Excludes ₹ 0.65 crore (Previous Year ₹ Nil) paid towards certification fees of Qualified Institutional Placement document which has been adjusted against securities premium account

(c) Shared service costs recovery includes ₹ 4.52 crore (Previous Year ₹ 7.24 crore) recovered from subsidiary companies and ₹ Nil (Previous Year ₹ 0.44 crore) recovered from an associate company under a shared service agreement.

29 Expenditure in foreign currencies

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Interest expense	0.01	7.80
Other borrowing costs	24.83	19.70
Travelling expenses	0.07	0.07
Legal & professional fees	0.50	0.26
Others	3.01	2.12

30 Earnings in foreign currencies

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Others	β	β

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, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Number of non resident Shareholders	5,170	4,693
Number of equity shares held by them	780,513,315	794,909,862
Gross amount of dividend (₹ in crore)	202.93	206.68
Dividend relating to the year	2013-14	2012-13

32 In accordance with Accounting Standard 15 on 'Employee Benefits' specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014 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, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Provident fund	5.02	3.78
Superannuation fund	0.72	0.68
Pension fund	0.76	0.61

Employee Benefits Disclosures (continued)

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, 2015	FOR THE YEAR ENDED MARCH 31, 2014
CHANGE IN THE DEFINED BENEFIT OBLIGATIONS:		
Liability at the beginning of the year	17.73	14.87
Current service cost	2.42	2.31
Interest cost	1.67	1.31
Liabilities settled on divestiture	(0.04)	(0.63)
Benefits paid	(1.85)	(1.28)
Actuarial loss	2.24	1.15
Liability at the end of the year	22.17	17.73
FAIR VALUE OF PLAN ASSETS:		
Fair value of plan assets at the beginning of the year	16.66	14.73
Expected return on plan assets	1.32	1.20
Contributions	4.00	1.93
Benefits paid	(1.85)	(1.28)
Actuarial gain on plan assets	2.24	0.08
Fair value of plan assets at the end of the year	22.37	16.66
Total actuarial loss / (gain) to be recognised	₹	1.07
ACTUAL RETURN ON PLAN ASSETS:		
Expected return on plan assets	1.32	1.20
Actuarial gain on plan assets	2.24	0.08
Actual return on plan assets	3.56	1.28
AMOUNT RECOGNISED IN THE BALANCE SHEET:		
Liability at the end of the year	22.17	17.73
Fair value of plan assets at the end of the year	22.37	16.66
Amount recognised in the Balance Sheet under 'Provision for employee benefits'	-	1.07
Amount recognised in the Balance Sheet under 'Loans and advances'	0.20	-
EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	2.42	2.31
Interest cost	1.67	1.31
Expected return on plan assets	(1.32)	(1.20)
Net actuarial loss / (gain) to be recognised	₹	1.07
Liabilities settled on divestiture	(0.04)	(0.63)
Expense recognised in the Statement of Profit and Loss under 'Employee benefits expense'	2.73	2.86
RECONCILIATION OF THE LIABILITY RECOGNISED IN THE BALANCE SHEET:		
Opening net asset / (liability)	(1.07)	0.14
Expense recognised	2.73	2.86
Contribution by the Company	(4.00)	(1.93)
Expected employer's contribution next year	2.00	2.00

	FOR THE YEAR ENDED				(₹ IN CRORE)
	MARCH 31, 2015	MARCH 31, 2014	MARCH 31, 2013	MARCH 31, 2012	MARCH 31, 2011
EXPERIENCE ADJUSTMENTS:					
Defined benefit obligation	22.17	17.73	14.87	11.65	8.96
Plan assets	22.37	16.66	14.73	11.75	9.00
Surplus / (deficit)	0.20	(1.07)	(0.14)	0.10	0.04
Experience adjustments on plan liabilities	0.91	2.12	0.19	1.38	1.71
Experience adjustments on plan assets	2.24	0.08	0.10	(0.32)	(0.16)

Employee Benefits Disclosures *(continued)*

	AS AT MARCH 31, 2015 (%)	AS AT MARCH 31, 2014 (%)
INVESTMENT PATTERN:		
Insurer managed funds	100.00	100.00
Government securities	49.67	27.06
Deposit and money market securities	6.25	8.48
Debentures / bonds	29.82	51.70
Equity shares	14.26	12.76
PRINCIPAL ASSUMPTIONS:		
Discount rate (p.a.)	7.95	8.85
Expected rate of return on assets (p.a.)	9.00	8.00
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.

33 The Company's main business is financing by way of loans. All other activities revolve around the main business. The Company does not have any geographic segments. As such, there are no separate reportable segments as per Accounting Standard 17 on 'Segment Reporting' specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014. During the current year, these activities also involved steps taken towards transitioning into the proposed bank. In view of the transitional nature of activities, these are not considered as reportable segments.

34 As per Accounting Standard 18 on 'Related Party Disclosures' as notified under the Accounting Standards specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014, the related parties of the Company are as follows:

I. SUBSIDIARIES:

(a) Direct

- Galaxy Mercantiles Limited (w.e.f. December 6, 2013, up to September 28, 2014)
- IDFC Alternatives Limited
- IDFC Asset Management Company Limited
- IDFC AMC Trustee Company Limited
- IDFC Bank Limited (Incorporated on October 21, 2014, direct up to December 25, 2014)
- IDFC Finance Limited
- IDFC Foundation
- IDFC Financial Holding Company Limited (Incorporated on November 7, 2014)
- IDFC Housing Finance Company Limited (Incorporated on March 4, 2014, direct up to August 27, 2014)
- IDFC Infra Debt Fund Limited (Incorporated on March 7, 2014, direct up to August 11, 2014)
- IDFC Primary Dealership Company Limited (direct up to August 27, 2014)
- IDFC Projects Limited
- IDFC Securities Limited
- IDFC Trustee Company Limited
- Neopro Technologies Private Limited (w.e.f. March 30, 2013, up to September 28, 2014)

(b) Through subsidiaries

- IDFC Bank Limited (w.e.f. December 26, 2014)
- IDFC Capital Limited (up to October 31, 2013)
- IDFC Capital (USA) Inc.
- IDFC Capital (Singapore) Pte. Ltd.
- IDFC Distribution Company Limited (up to October 31, 2013)
- IDFC Infra Debt Fund Limited (w.e.f. August 12, 2014)
- IDFC Fund of Funds Limited (up to December 12, 2014)
- IDFC Housing Finance Company Limited (w.e.f. August 28, 2014 up to September 30, 2014)
- IDFC Investment Advisors Limited
- IDFC Investment Managers (Mauritius) Limited
- IDFC Primary Dealership Company Limited (w.e.f. August 28, 2014 up to September 30, 2014)
- IDFC Pension Fund Management Company Limited (up to October 31, 2013)
- IDFC PPP Trusteeship Company Limited (dissolved on August 23, 2013)
- IDFC Project Equity Company Limited (up to September 30, 2014)
- IDFC Securities Singapore Pte. Limited

Related Party Disclosures (continued)

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

III. ASSOCIATES:

(a) Direct

Galaxy Mercantiles Limited (up to December 5, 2013)
 Feedback Infra Private Limited
 Millennium City Expressway Private Limited (w.e.f. May 19, 2014)

(b) Through subsidiaries

Jetpur Somnath Tollways Private Limited

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
 (b) Mr. Vikram Limaye - Managing Director & CEO

VI. RELATIVES OF KEY MANAGEMENT PERSONNEL: (WHERE TRANSACTIONS EXIST):

(a) Ms. Bunty Chand
 (b) Mr. Bharat Mukund Limaye

l) The nature and volume of transactions of the Company with the above mentioned related parties are as summarised below:

PARTICULARS	(₹ IN CRORE)											
	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	87.23	28.07	0.81	0.81	-	-	-	-	-	-	-	-
Interest	22.54	11.06	42.29	21.25	-	-	-	-	-	-	-	-
Other Income	-	0.17	-	β	-	-	-	-	-	-	-	-
EXPENDITURE												
Remuneration paid	-	-	-	-	-	-	-	-	8.31	10.42	-	-
Shared service cost recovery	4.53	7.24	-	0.44	-	-	-	-	-	-	-	-
Fees paid	1.47	1.56	-	0.08	0.52	1.78	-	0.03	-	-	-	-
Professional fees paid	14.18	0.81	-	-	-	-	-	-	-	-	-	-
Interest expense on bonds	-	0.20	-	-	-	-	-	-	-	-	-	-
CSR contribution	46.50	13.00	-	-	-	-	-	-	-	-	-	-
Brokerage on sale of investments	0.22	0.02	-	-	-	-	-	-	-	-	-	-
Brokerage on stock futures	-	0.01	-	-	-	-	-	-	-	-	-	-
Interest expense on 80CCF Bonds	-	-	-	-	-	-	-	-	β	β	β	β
Rent paid	-	-	-	-	0.02	0.02	-	-	-	-	-	-
ASSETS / TRANSACTIONS												
Sale of Treasury bills & Commercial papers	-	48.92	-	-	-	-	-	-	-	-	-	-
Sale of investments in Subsidiary Companies	213.05	6.68	-	-	-	-	-	-	-	-	-	-
Sale of investments in Other Companies	0.05	-	-	-	-	-	-	-	-	-	-	-
Purchase / subscription of investments	340.10	69.34	176.61	34.05	-	-	-	-	-	-	-	-
Subscription of OCDs	-	-	-	27.56	-	-	-	-	-	-	-	-
Repayment of OCDs	261.05	-	-	-	-	-	-	-	-	-	-	-

Related Party Disclosures (continued)

(₹ 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 (continued)												
Buyback of OCD	125.00	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	β	-	-	-	-	-	-
Purchase of fixed assets	β	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits (placed and matured)	1,513.50	2,720.00	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits (placed and outstanding)	150.00	-	-	-	-	-	-	-	-	-	-	-
Loans given	-	-	421.60	-	-	-	-	-	-	-	-	-
Advances given	35.76	16.99	-	-	-	-	-	-	-	-	-	-
Advances recoverable	0.50	16.30	-	1.65	-	-	-	-	-	-	-	-
Advances recoverable - balance outstanding	123.76	83.40	-	β	-	-	-	-	-	-	-	-
Interest accrued on loans - balance outstanding	-	0.08	18.19	9.05	-	-	-	-	-	-	-	-
Interest accrued on ICD - balance outstanding	0.26	-	-	-	-	-	-	-	-	-	-	-
Outstanding investments in Debentures	-	288.68	40.00	40.00	-	-	-	-	-	-	-	-
Outstanding investment in Equity shares	1,489.86	1,705.89	196.70	20.09	-	-	-	-	-	-	-	-
Outstanding investment in Preference shares	-	122.94	-	-	-	-	-	-	-	-	-	-
Outstanding other receivables	-	-	0.17	-	-	-	-	-	-	-	-	-
LIABILITIES / TRANSACTIONS												
Trade payable - balance outstanding	0.13	1.07	-	-	0.60	0.71	-	0.04	-	-	-	-
ESOPs exercised	-	-	-	-	-	-	-	-	-	3.38	-	-
Amount received in advance	-	0.04	0.84	0.48	-	-	-	-	-	-	-	-
80CCF Bonds outstanding	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.01
Buyback of Bonds	-	28.15	-	-	-	-	-	-	-	-	-	-

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 Alternatives Limited	-	13.00	-	-	-	-	-	-	-	-	-	-
IDFC Asset Management Company Limited	50.23	15.07	-	-	-	-	-	-	-	-	-	-
IDFC Primary Dealership Company Limited	37.00	-	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	0.81	0.81	-	-	-	-	-	-	-	-
Interest income												
IDFC Alternatives Limited	7.23	-	-	-	-	-	-	-	-	-	-	-
IDFC Primary Dealership Company Limited	1.15	2.22	-	-	-	-	-	-	-	-	-	-
IDFC Finance Limited	-	β	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	0.36	-	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	6.67	5.38	-	-	-	-	-	-	-	-
Galaxy Mercantiles Limited	13.80	8.84	-	15.87	-	-	-	-	-	-	-	-
Millennium City Expressway Private Limited	-	-	35.62	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	(₹ IN CRORE)											
	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 (continued)												
Other Income												
IDFC Asset Management Company Limited	-	0.17	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	-	β	-	-	-	-	-	-	-	-
EXPENDITURE												
Remuneration paid												
Dr. Rajiv B. Lall	-	-	-	-	-	-	-	-	4.40	5.56	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	3.91	4.86	-	-
Shared service cost recovery												
IDFC Alternatives Limited	0.98	0.58	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	2.17	2.43	-	-	-	-	-	-	-	-	-	-
IDFC Project Equity Company Limited	0.40	1.03	-	-	-	-	-	-	-	-	-	-
IDFC Primary Dealership Company Limited	0.06	0.29	-	-	-	-	-	-	-	-	-	-
IDFC Capital Limited	-	1.24	-	-	-	-	-	-	-	-	-	-
IDFC Asset Management Company Limited	0.92	1.67	-	-	-	-	-	-	-	-	-	-
Jetpur Somnath Tollways Limited	-	-	-	0.44	-	-	-	-	-	-	-	-
Fees paid												
IDFC Foundation	0.44	1.55	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	1.03	0.01	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	-	0.08	-	-	-	-	-	-	-	-
India PPP Capacity Building Trust	-	-	-	-	-	-	-	0.03	-	-	-	-
Uttarakhand Infrastructure Development Company Limited	-	-	-	-	0.18	0.57	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	0.02	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.32	1.21	-	-	-	-	-	-
Professional fees paid												
IDFC Investment Advisors Limited	0.86	0.81	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	13.32	-	-	-	-	-	-	-	-	-	-	-
Interest expense on bonds												
IDFC Primary Dealership Company Limited	-	0.20	-	-	-	-	-	-	-	-	-	-
Interest expense on 80CCF Bonds												
Dr. Rajiv B. Lall	-	-	-	-	-	-	-	-	β	β	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	β	β	-	-
Ms. Bunt Chand	-	-	-	-	-	-	-	-	-	-	β	β
Mr. Bharat Mukund Limaye	-	-	-	-	-	-	-	-	-	-	β	β
CSR contribution												
IDFC Foundation	46.50	13.00	-	-	-	-	-	-	-	-	-	-
Brokerage on sale of investments												
IDFC Securities Limited	0.22	0.02	-	-	-	-	-	-	-	-	-	-
Brokerage on stock futures												
IDFC Securities Limited	-	0.01	-	-	-	-	-	-	-	-	-	-
Rent paid												
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.02	0.02	-	-	-	-	-	-
ASSETS / TRANSACTIONS												
Sale of Treasury Bills & Commercial Papers												
IDFC Primary Dealership Company Limited	-	48.92	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	(₹ IN CRORE)											
	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 <i>(continued)</i>												
Sale of investments in Subsidiary Company												
IDFC Alternatives Limited	213.00	–	–	–	–	–	–	–	–	–	–	–
IDFC Securities Limited	–	6.68	–	–	–	–	–	–	–	–	–	–
IDFC Financial Holding Company Limited	0.05	–	–	–	–	–	–	–	–	–	–	–
Sale of investments in Others												
IDFC Asset Management Company Limited	0.05	–	–	–	–	–	–	–	–	–	–	–
Purchase / subscription of investments												
IDFC Housing Finance Company Limited	–	12.00	–	–	–	–	–	–	–	–	–	–
IDFC Infra Debt Fund Limited	140.00	12.00	–	–	–	–	–	–	–	–	–	–
IDFC Alternatives Limited	200.00	–	–	–	–	–	–	–	–	–	–	–
Galaxy Mercantiles Limited	–	45.34	–	34.05	–	–	–	–	–	–	–	–
IDFC Bank Limited	0.05	–	–	–	–	–	–	–	–	–	–	–
IDFC Financial Holding Company Limited	0.05	–	–	–	–	–	–	–	–	–	–	–
Millennium City Expressway Private Limited	–	–	176.61	–	–	–	–	–	–	–	–	–
Subscription of OCDs												
Galaxy Mercantiles Limited	–	–	–	27.56	–	–	–	–	–	–	–	–
Redemption receipt of OCDs												
Galaxy Mercantiles Limited	261.05	–	–	–	–	–	–	–	–	–	–	–
Buyback of OCDs												
IDFC Securities Limited	125.00	–	–	–	–	–	–	–	–	–	–	–
Loans given & outstanding												
Millennium City Expressway Private Limited (net of repayments)	–	–	421.60	–	–	–	–	–	–	–	–	–
Sale of fixed assets												
Infrastructure Development Corporation (Karnataka) Limited	–	–	–	–	–	β	–	–	–	–	–	–
IDFC Asset Management Company Limited	β	–	–	–	–	–	–	–	–	–	–	–
Inter-corporate deposits (placed and matured)												
IDFC Finance Limited	–	5.00	–	–	–	–	–	–	–	–	–	–
IDFC Primary Dealership Company Limited	1,023.00	2,715.00	–	–	–	–	–	–	–	–	–	–
IDFC Alternatives Limited - ICD given	290.00	–	–	–	–	–	–	–	–	–	–	–
IDFC Securities Limited	200.50	–	–	–	–	–	–	–	–	–	–	–
Inter-corporate deposits (placed and outstanding)												
IDFC Alternatives Limited	150.00	–	–	–	–	–	–	–	–	–	–	–
Advances given												
IDFC Projects Limited	35.76	16.98	–	–	–	–	–	–	–	–	–	–
Advances recovered												
Galaxy Mercantiles Limited	–	–	–	1.65	–	–	–	–	–	–	–	–
IDFC Foundation	0.50	1.00	–	–	–	–	–	–	–	–	–	–
IDFC Projects Limited	–	15.30	–	–	–	–	–	–	–	–	–	–
Advances recoverable - balance outstanding												
IDFC Bank Limited	2.58	–	–	–	–	–	–	–	–	–	–	–
IDFC Financial Holding Company Limited	2.52	–	–	–	–	–	–	–	–	–	–	–
IDFC Foundation	21.00	21.50	–	–	–	–	–	–	–	–	–	–
IDFC Projects Limited	97.66	61.90	–	–	–	–	–	–	–	–	–	–
Feedback Infra Private Limited	–	–	–	β	–	–	–	–	–	–	–	–

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

PARTICULARS	(₹ IN CRORE)											
	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 <i>(continued)</i>												
Interest accrued on loans - balance outstanding												
Galaxy Mercantiles Limited	-	0.08	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	14.52	9.05	-	-	-	-	-	-	-	-
Millennium City Expressway Private Limited	-	-	3.67	-	-	-	-	-	-	-	-	-
Interest accrued on ICD - balance outstanding												
IDFC Alternatives Limited	0.26	-	-	-	-	-	-	-	-	-	-	-
Outstanding investment in Debentures												
IDFC Securities Limited	-	125.00	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	40.00	40.00	-	-	-	-	-	-	-	-
Galaxy Mercantiles Limited	-	163.68	-	-	-	-	-	-	-	-	-	-
Outstanding investment in Equity Shares												
IDFC Alternatives Limited	200.05	0.05	-	-	-	-	-	-	-	-	-	-
IDFC Asset Management Company Limited	629.49	629.49	-	-	-	-	-	-	-	-	-	-
IDFC Infra Debt Fund Limited	152.00	12.00	-	-	-	-	-	-	-	-	-	-
IDFC Primary Dealership Company Limited	-	200.00	-	-	-	-	-	-	-	-	-	-
IDFC Securities Limited	440.10	440.10	-	-	-	-	-	-	-	-	-	-
Feedback Infra Private Limited	-	-	20.09	20.09	-	-	-	-	-	-	-	-
Galaxy Mercantiles Limited	-	153.20	-	-	-	-	-	-	-	-	-	-
Neopro Technologies Private Limited	-	190.88	-	-	-	-	-	-	-	-	-	-
Millennium City Expressway Private Limited	-	-	176.61	-	-	-	-	-	-	-	-	-
Others	68.22	80.17	-	-	-	-	-	-	-	-	-	-
Outstanding investment Preference Shares												
Galaxy Mercantiles Limited	-	97.91	-	-	-	-	-	-	-	-	-	-
Neopro Technologies Private Limited	-	25.03	-	-	-	-	-	-	-	-	-	-
Outstanding other receivables												
Millennium City Expressway Private Limited	-	-	0.17	-	-	-	-	-	-	-	-	-
LIABILITIES / TRANSACTIONS												
Trade Payable - Balance outstanding												
IDFC Foundation	0.13	1.07	-	-	-	-	-	-	-	-	-	-
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	-	0.39	0.58	-	-	-	-	-	-
Uttarakhand Infrastructure Development Company Limited	-	-	-	-	0.15	0.13	-	-	-	-	-	-
Delhi Integrated Multi-Modal Transit System Limited	-	-	-	-	0.06	-	-	-	-	-	-	-
India PPP Capacity Building Trust	-	-	-	-	-	-	-	0.04	-	-	-	-
ESOPs exercised												
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	-	3.38	-	-
Amount received in advance												
Feedback Infra Private Limited	-	-	0.84	0.48	-	-	-	-	-	-	-	-
Galaxy Mercantiles Limited	-	0.04	-	-	-	-	-	-	-	-	-	-
80CCF Bonds outstanding												
Dr. Rajiv B. Lall	-	-	-	-	-	-	-	-	β	β	-	-
Mr. Vikram Limaye	-	-	-	-	-	-	-	-	0.01	0.01	-	-
Ms. Bunty Chand	-	-	-	-	-	-	-	-	-	-	β	β
Mr. Bharat Mukund Limaye	-	-	-	-	-	-	-	-	-	-	0.01	0.01
Buyback of Bonds												
IDFC Primary Dealership Company Limited	-	28.15	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

35 In accordance with Accounting Standard 19 on 'Leases' as notified under the Accounting Standards specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014, the following disclosures in respect of operating leases are made:

- i The Company has taken office premises under operating leases, which expires between March 2016 and March 2024 (Previous Year December 2015 and September 2018). Rent includes gross rental expenses of ₹ 8.90 crore (Previous Year ₹ 7.23 crore). The committed lease rentals in the future are:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Not later than one year	19.84	5.63
Later than one year and not later than five years	86.33	10.52
Later than five years	9.95	—

- ii The Company had given office premises under non-cancellable operating lease, which expired in October 2013 (Previous Year April 2013). Miscellaneous income includes income from such leases of ₹ Nil (Previous Year ₹ 1.14 crore). The future minimum lease rental is as follows:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Not later than one year	—	—

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 read with Rule 7 of the Companies (Accounts) Rules, 2014:

- i The basic earnings per share has been calculated based on:

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Net profit after tax	1,685.49	1,701.12
Weighted average number of equity shares	1,556,765,804	1,515,648,733

- ii The reconciliation between the basic and the diluted earnings per share is as follows:

	₹	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Basic earnings per share	10.83	11.22
Effect of outstanding stock options	(0.06)	(0.01)
Diluted earnings per share	10.77	11.21

- iii The basic earnings per share has been computed by dividing the net profit 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 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:

	AS AT MARCH 31, 2015		AS AT MARCH 31, 2014	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014	AS AT MARCH 31, 2014	AS AT MARCH 31, 2014
Weighted average number of shares for computation of basic earnings per share	1,556,765,804	1,515,648,733		
Dilutive effect of outstanding stock options	7,731,566	2,228,919		
Weighted average number of shares for computation of diluted earnings per share	1,564,497,370	1,517,877,652		

37 Contingent liabilities and commitments (to the extent not provided for)

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(A) CONTINGENT LIABILITIES		
(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	135.71
Other claims	0.55	7.20
(ii) Guarantees issued:		
As a part of project assistance, the Company has also provided the following guarantees:		
Financial guarantees	129.28	1,356.70
Performance guarantees	19.22	42.47
(iii) Other financial guarantees	0.01	0.33
(B) CAPITAL COMMITMENTS		
(i) Uncalled liability on shares and other investments partly paid	1,650.34	1,955.77
(ii) Estimated amount of contracts remaining to be executed on capital account (net of advances)	69.43	0.86

38 The Company has entered into interest rate swaps in the nature of 'fixed / floating' or 'floating / fixed' for notional principal of ₹ 4,646.00 crore outstanding as on March 31, 2015 (Previous Year ₹ 4,396.00 crore) for varying maturities linked to various benchmarks for asset liability management and hedging.

The Company has foreign currency borrowings equivalent to ₹ 8,761.93 crore (Previous Year ₹ 7,240.47 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 ₹ 314.53 crore (Previous Year ₹ 391.16 crore) and forward contracts of ₹ 22.85 crore (Previous Year ₹ 14.16 crore) to hedge the foreign currency risk towards interest on the foreign currency borrowings.

39 No amount is payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / payable by the Company during the year to the 'Suppliers' covered 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 The following additional information is disclosed in terms of the RBI circular (Ref. No. DNBS (PD) CC No.381 /03.02.001 /2014-15 dated July 1, 2014) :

(a) CAPITAL TO RISK ASSETS RATIO (CRAR):

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
CRAR (%)	24.28	22.06
CRAR - Tier I Capital (%)	23.03	19.84
CRAR - Tier II Capital (%)	1.25	2.22
Amount of Subordinated Debt considered as Tier-II Capital	-	650.00
Amount raised by issue of Perpetual Debt Instruments	-	-

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

(b) EXPOSURES TO REAL ESTATE SECTOR (Based on amounts sanctioned):

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
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	3,809.38
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	0.41
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	308.78
(ii) Investment in venture capital funds which primarily invests into commercial real estates.	213.04	93.82

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(c) EXPOSURES TO CAPITAL MARKET

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(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.	1,456.13	1,501.95
(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	539.00
(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	230.00
(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	3,500.24
(vii) Bridge loans to companies against expected equity flows/issues.	–	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered).	1,482.11	1,405.85
TOTAL EXPOSURE TO CAPITAL MARKET	6,302.55	7,177.04

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(d) DETAILS OF SINGLE BORROWER LIMIT AND BORROWER GROUP LIMIT EXCEEDED BY THE COMPANY

During the years ended March 31, 2015 and March 31, 2014, the Company's credit exposure to single borrowers and group borrowers were within the limits prescribed by the RBI.

(e) UNSECURED ADVANCES

The Company has made advances against intangible collaterals of the borrowers, which are classified as 'Unsecured' in its financial statements as at March 31, 2015 of ₹ 5,317.79 crore (March 31, 2014 ₹ 5,347.74 crore) and the estimated value of the intangible collaterals was ₹ 9,233.13 crore as at March 31, 2015 (March 31, 2014: ₹ 9,233.13 crore)

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

(f) MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

Current Year									
	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
(₹ IN CRORE)									
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	14,407.32	122.97	24.37	0.04	0.08	108.33	436.55	15,387.22	30,486.89

Previous Year									
	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
(₹ IN CRORE)									
LIABILITIES									
Borrowing from banks	500.00	–	150.00	300.00	1,400.00	6,604.44	2,680.25	–	11,634.69
Market borrowing	4,268.67	2,503.71	1,257.39	2,795.10	3,176.66	12,514.51	3,039.45	14,481.44	44,036.93
ASSETS									
Advances (net)	2,372.95	1,148.25	1,468.26	3,976.44	6,130.53	8,266.82	19,482.89	16,870.76	59,716.90
Investments	4,891.13	15.35	236.31	143.89	137.54	245.02	327.40	5,202.24	11,198.88

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(g) BORROWER GROUP-WISE CLASSIFICATION OF ASSETS FINANCED:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
	AMOUNT NET OF PROVISION *	AMOUNT NET OF PROVISION *
1 RELATED PARTIES		
(a) Subsidiaries	–	163.68
(b) Companies in the same group	–	–
(c) Other related parties	461.60	40.00
2 OTHER THAN RELATED PARTIES	54,045.76	59,513.22
TOTAL	54,507.36	59,716.90

*Excludes provision for contingencies and restructured loans

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

(h) DETAILS OF INVESTMENTS ARE SET OUT BELOW:

		(₹ IN CRORE)	
		AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
1	VALUE OF INVESTMENTS		
(i)	Gross Value of Investments		
(a)	In India	30,810.23	11,549.55
(b)	Outside India	—	—
	(A)	30,810.23	11,549.55
(ii)	Provision for depreciation		
(a)	In India	311.95	349.24
(b)	Outside India	—	—
	(B)	311.95	349.24
(iii)	Premium amortised on debentures, bonds & government securities		
(a)	In India	11.39	1.43
(b)	Outside India	—	—
	(C)	11.39	1.43
(iv)	Net Value of Investments		
(a)	In India	30,486.89	11,198.88
(b)	Outside India	—	—
	(A-B-C)	30,486.89	11,198.88
2	MOVEMENT OF PROVISIONS HELD TOWARDS DEPRECIATION ON INVESTMENTS.		
(i)	Opening balance	350.67	284.01
(ii)	Add : Provisions made during the year	99.69	85.16
(iii)	Add / (less) : Premium amortised on debentures, bonds and government securities	9.96	(9.26)
(iv)	Less : Write-off / write-back of excess provisions during the year	(136.98)	(9.24)
(v)	Closing balance	323.34	350.67

(i) 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, 2015		AS AT MARCH 31, 2014	
		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	1,039.83	1,476.85	1,238.88	1,953.83
(b)	Companies in the same group	—	—	—	—
(c)	Other related parties	18.28	196.70	19.33	20.09
2	OTHER THAN RELATED PARTIES	29,581.93	28,813.34	9,340.50	9,224.96
	TOTAL	30,640.04	30,486.89	10,598.70	11,198.88

(j) OTHER INFORMATION:

		(₹ IN CRORE)	
		AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
1	GROSS NON - PERFORMING ASSETS		
(a)	Related parties	—	—
(b)	Other than related parties	357.57	332.98
2	NET NON - PERFORMING ASSETS		
(a)	Related parties	—	—
(b)	Other than related parties	119.57	220.58
3	ASSETS ACQUIRED IN SATISFACTION OF DEBT	-	71.00

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

41 The following additional information is disclosed in terms of the RBI circular (Ref. No. RBI/2009-2010/356/IDMD/4135/11.08.43/2009-10) dated March 23, 2010:

REPO TRANSACTIONS (IN FACE VALUE TERMS)

		YEAR ENDED MARCH 31, 2015				YEAR ENDED MARCH 31, 2014			
		Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at March 31, 2015	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at March 31, 2014
(₹ IN CRORE)									
SECURITIES SOLD UNDER REPOS									
(i)	Government securities	1,401.67	9,874.78	6,528.35	5,889.14	-	5,014.73	2,203.20	1,401.67
(ii)	Corporate debt securities	-	75.00	0.21	-	-	75.00	0.21	-
SECURITIES PURCHASED UNDER REVERSE REPOS									
(i)	Government securities	-	421.36	1.15	-	-	402.15	3.24	-
(ii)	Corporate debt securities	-	-	-	-	-	-	-	-

42 Penalties / fines imposed by the RBI

The following information is disclosed in terms of RBI circular (Ref.No.RBI/2010-11/115 IDMD.17/11.01.01(B)2010-11) dated July 14, 2010: During the year ended March 31, 2015 there was no penalty imposed by the RBI (Previous Year ₹ Nil).

43 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.

		AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(₹ IN CRORE)			
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	0.41

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

44 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, 2015	FOR THE YEAR ENDED MARCH 31, 2014
Number of accounts	1	4
Aggregate value (net of provisions) of accounts sold to ARC	53.88	133.43
Aggregate consideration :		
Security receipts	45.79	175.30
Cash	8.08	16.23
Aggregate gain over net book value not credited to the Statement of Profit and Loss	-	51.10
Aggregate gain over net book value credited to the Statement of Profit and Loss [see note (a)]	-	7.00

Note:

- (a) Amount under previous year, represents excess provision written back on sale of a non-performing advance to an ARC in cash, on a non-recourse basis, since no longer required.

45 Details of non-performing financial assets transferred purchased / sold:

	(₹ IN CRORE)	
	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
A DETAILS OF NON-PERFORMING FINANCIAL ASSETS PURCHASED:		
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:		
1 Number of accounts sold during the year	-	4
2 Aggregate value (net of provisions) of accounts sold	-	133.43
3 Aggregate consideration received	-	191.53

46 Disclosure of complaints

The following table sets forth, the movement and the outstanding number of complaints:

	FOR THE YEAR ENDED MARCH 31, 2015	FOR THE YEAR ENDED MARCH 31, 2014
SHAREHOLDERS' COMPLAINTS :		
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	668	508
No. of complaints disposed off during the year	668	508
No. of complaints remaining unresolved at the end of the year	Nil	Nil
INFRASTRUCTURE RETAIL BONDHOLDERS' COMPLAINTS :		
No. of complaints pending at the beginning of the year	Nil	Nil
No. of complaints received during the year	9,553	13,464
No. of complaints disposed off during the year	9,553	13,464
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.

47 Disclosure on accounts subjected to restructuring (Current Year)

[as required by the RBI guidelines under reference RBI circular (Ref. No. DNBS (PD) CC No.381 /03.02.001 /2014-15 dated July 1, 2014)] :

₹ IN CRORE

	Type of Restructuring	Under Corporate Debt Restructuring (CDR) Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	
Asset Classification 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)	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

Notes:

- 1) Excludes provision for net present value of ₹ 0.49 crore (Previous Year ₹ Nil) created on one loan account.

47 Disclosure on accounts subjected to restructuring (Previous Year) (Contd.)

₹ IN CRORE

	Type of Restructuring	Under Corporate Debt Restructuring (CDR) Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
		Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total	Standard	Sub Standard	Doubtful	Loss	Total
	Asset Classification Details																				
1	Restructured accounts as on April 1, 2013	No. of borrowers										11				11	11				11
		Amount outstanding (restructured facility)										1,471.47				1,471.47	1,471.47				1,471.47
		Amount outstanding (other facility)										38.00				38.00	38.00				38.00
		Provision thereon																			
2	Fresh restructuring during the year	No. of borrowers										7				7	7				7
		Amount outstanding (restructured facility)										1,454.52				1,454.52	1,454.52				1,454.52
		Amount outstanding (other facility)																			
		Provision thereon										95.77				95.77	95.77				95.77
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 (see note 1)	No. of borrowers																			
		Amount outstanding (restructured facility)																			
		Amount outstanding (other facility)																			
		Provision thereon																			
5	Increase / (decrease) in borrower level outstanding of existing restructured cases during the year ended March 31, 2014	No. of borrowers										7				7	7				7
		Amount outstanding (restructured facility)										(24.07)				(24.07)	(24.07)				(24.07)
		Amount outstanding (other facility)										22.00				22.00	22.00				22.00
		Provision thereon										62.26				62.26	62.26				62.26
6	Advances not shown as restructured standard advances at the beginning of the next year (see note 1)	No. of borrowers											2			2		2			2
		Amount outstanding (restructured facility)											202.51			202.51		202.51			202.51
		Amount outstanding (other facility)																			
		Provision thereon											46.60			46.60		46.60			46.60
7	Down gradation of restructured accounts during the year (see note 1)	No. of borrowers										(2)				(2)	(2)				(2)
		Amount outstanding (restructured facility)										(202.51)				(202.51)	(202.51)				(202.51)
		Amount outstanding (other facility)																			
		Provision thereon										(20.25)				(20.25)	(20.25)				(20.25)
8	Write-offs restructured accounts during the year (see note 1)	No. of borrowers																			
		Amount outstanding (restructured facility)											(96.47)			(96.47)		(96.47)			(96.47)
		Amount outstanding (other facility)																			
9	Restructured accounts as on March 31, 2014 (see note 2)	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

Notes:

- Includes restructured account which has a opening balance of ₹ 208.89 crore of which ₹ 6.38 crore has been repaid during the year, ₹ 96.47 crore is written off and remaining ₹ 106.04 crore is downgraded as sub standard assets.
- Represents provision against substandard assets of ₹ 46.60 crore.

48 The following additional information is disclosed in terms of the RBI circular (Ref. No. DNBS (PD) CC No. 002/03.10.001/2014-15 dated November 10, 2014):

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:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices.

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 appraises 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

The Company deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/liabilities. Derivative contracts designated as hedges are not marked to market. The Company identifies the hedged item (liability) at the inception of the transaction itself. Hedge effectiveness is ascertained at the time of the inception of the hedge. Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties.

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, 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, which-ever 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.

The Company does not undertake any proprietary trading in Derivatives.

(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, 2015	AS AT MARCH 31, 2014
(i) Notional principal of swap agreements	11,326.30	10,262.60
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	399.82	693.23
(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	566.11

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

(b) Disclosure on risk exposure in Derivatives

(₹ IN CRORE)				
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	–	–	–	–
(₹ IN CRORE)				
AS AT MARCH 31, 2014				
	CURRENCY DERIVATIVES			INTEREST RATE DERIVATIVES
	FORWARD CONTRACTS	CCS	OPTIONS	
1 Derivatives (notional principal amount)				
(a) For hedging	1,175.13	5,866.60	–	4,396.00
2 Marked to Market Positions				
(a) Asset (+)	–	692.01	–	1.22
(b) Liability (-)	(33.76)	(38.33)	–	(88.79)
3 Credit Exposure	23.50	1,041.75	–	72.86
4 Unhedged Exposures	–	–	–	–

49 Ratings assigned by credit rating agencies and migration of ratings during the year

	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
(i) Rating Assigned	Long Term 'AAA', Short Term 'A1+'	Long Term 'AAA', Short Term 'A1+'
(ii) Date of Rating	Long Term - 04-03-2015; Short term - 04-03-2015	Long term - 12-03-2014; Short-term - 12-03-2014
(iii) Rating Valid upto	Short Term - 31-03-2016	Short Term - 31-03-2015
(iv) Name of the Rating Agency	ICRA Limited	ICRA Limited

50 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, 2015	AS AT MARCH 31, 2014
Provisions for depreciation in value of investment	(37.54)	24.82
Provision against non performing advances	125.60	97.34
Provision against restructured loans	368.21	158.03
Provision made towards income tax (see note below)	–	–
Provisions for contingencies	574.14	313.97
Contingent provision against standard assets	(13.59)	7.21
Provision for doubtful debts and others	1.73	27.47
	1,018.55	628.83

Note:

Provision towards income tax is shown as separate line item below profit before tax and not included under provision and contingencies.

(b) DRAW DOWN FROM RESERVES

The Company has not undertaken any drawdown from reserves during the current year and previous year.

(c) (i) The information on concentration of advances* is given below:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Total advances to twenty largest borrowers	25,506.85	27,608.99
Percentage of advances to twenty largest borrowers to total advances of the Company	46%	45%

* Advances represent credit exposure (funded and non-funded).

(ii) The information on concentration of exposure* is given below:

	(₹ IN CRORE)	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
Total exposure customers to twenty largest borrowers/customers	34,739.13	32,954.46
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Company on borrowers / customers	46%	44%

* 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, 2015	AS AT MARCH 31, 2014
Total exposure to top four NPA	289.13	289.19
TOTAL	289.13	289.19

(ii) The information on sector-wise NPAs is given below:

SECTOR	PERCENTAGE OF NPAs TO TOTAL ADVANCES IN THAT SECTOR	
	AS AT MARCH 31, 2015	AS AT MARCH 31, 2014
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	100%	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, 2015	AS AT MARCH 31, 2014
1 Net NPAs to Net Advances (%)	0.22%	0.37%
2 Movement of NPAs (Gross)		
Opening balance	332.98	85.12
Additions during the year	37.23	620.16
Reductions during the year	12.64	372.30
Closing balance	357.57	332.98
3 Movement of Net NPAs		
Opening balance	220.58	28.91
Additions during the year	(89.47)	478.85
Reductions during the year	11.54	287.18
Closing balance	119.57	220.58
4 Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	112.40	56.21
Provisions made during the year	126.70	141.31
Write-off / write-back of excess provisions	1.10	85.12
Closing balance	238.00	112.40

Notes forming part of the Financial Statements

AS AT AND FOR THE YEAR ENDED MARCH 31, 2015

(e) The information on Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) is given below:

NAME OF THE JOINT VENTURE/ SUBSIDIARY	(₹ IN CRORE)		
	AS AT MARCH 31, 2015		
	OTHER PARTNER IN THE JV	COUNTRY	TOTAL ASSETS
	-	-	-

NAME OF THE JOINT VENTURE/ SUBSIDIARY	(₹ IN CRORE)		
	AS AT MARCH 31, 2014		
	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, 2015		AS AT MARCH 31, 2014	
1. Jetpur Somnath Tollways Private Limited		1. Jetpur Somnath Tollways Private Limited	
2. Millennium City Expressway Private Limited			-

51 The figures for the previous year have been reclassified / regrouped, wherever necessary to conform with the current year's classification / disclosure.

52 The figures of ₹ 50,000 or less have been denoted by β.

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

RAJIV B. LALL
Executive Chairman

VIKRAM LIMAYE
Managing Director & CEO

SUNIL KAKAR
Chief Financial Officer

MAHENDRA N. SHAH
Company Secretary

Mumbai | April 30, 2015

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 Eighteenth Annual General Meeting (“**AGM**”) of the Members of IDFC Limited (“**IDFC**” or “**the Company**”) will be held on **Thursday, July 30, 2015** at **2:00 p.m.** at The Music Academy, Kasturi Srinivasan Hall, New No. 168 (Old No. 306), Next to Acropolis Building, 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 of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Joseph Dominic Silva (DIN: 06388807), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 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, 2016.”

SPECIAL BUSINESS

5. Appointment of Mr. Vinod Rai as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 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 and pursuant to the Listing Agreement with Stock Exchanges, Mr. Vinod Rai (DIN - 01119922), in respect of whom the Company has received a notice in writing from a Member signifying his intention to propose Mr. Vinod Rai as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of

three (3) consecutive years to hold office from the conclusion of 18th (Eighteenth) Annual General Meeting (“**AGM**”) till the conclusion of 21st (Twenty First) AGM of the Company 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. Vinod Rai 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. Mahendra N. Shah, 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.”

6. Offer and Issue Non-Convertible Securities under Private Placement

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

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to all the applicable laws and regulations, including but not limited to the Listing Agreement entered with the Stock Exchanges; 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 Articles of Association, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**the Board**”) which term shall be deemed to include any Committee thereof) to borrow from time to time, by issuance of Non-Convertible Securities, including but not limited to Non-Convertible Debentures (“**NCDs**”) and Commercial Papers (“**CPs**”), on Private Placement basis, with a view to augment the business of the Company, upto an amount not exceeding ₹ 80,000 crore (Rupees Eighty Thousand Crore only), outstanding at any point of time, under one or more shelf disclosure documents, during the period from the conclusion of 18th (Eighteenth) Annual General Meeting (“**AGM**”) until the conclusion of 19th (Nineteenth) AGM, on such terms and conditions as the Board may deem fit and appropriate for each series as the case may be.

RESOLVED FURTHER THAT the said limit of ₹ 80,000 crore (Rupees Eighty Thousand Crore only) shall be within the overall borrowing limit as approved by the Members at the 17th (Seventeenth) AGM under Section 180(1)(c) of the Companies Act, 2013.

NOTICE (continued)

RESOLVED FURTHER THAT Dr. Rajiv B. Lall - Executive Chairman, Mr. Vikram Limaye - Managing Director & CEO, Mr. Sunil Kakar - Chief Financial Officer and Mr. Mahendra N. Shah - 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."

By order of the Board of Directors

Mahendra N. Shah

Company Secretary

Mumbai, June 30, 2015

NOTES:

1. The Statement pursuant to Section 102(1) 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 ON A POLL INSTEAD OF HIMSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY FILLED, SIGNED AND STAMPED PROXY 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 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, at any time between 9.00 a.m. to 6.00 p.m. 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 Reports and the Attendance Slips 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 Corporate Office of the Company at IDFC Limited, Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.
4. Pursuant to the requirements on Corporate Governance under Clause 49 of Listing Agreement entered into with Stock Exchanges, the brief profiles of Directors proposed to be appointed / reappointed 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(1) 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 Auditors of the Company certifying that the Company's Employee Stock Option Scheme is being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, 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. **DIVIDEND:**
 - a) The Register of Members and Share Transfer Books will remain closed from **July 25, 2015 to July 30, 2015** (both days inclusive) for determining the names of Members eligible to receive dividend on equity shares.
 - b) Dividend for the year ended March 31, 2015, at the rate of 26% i.e. ₹ 2.60/- per equity share of ₹ 10/- each, if approved by the Members at the AGM, will be payable on or after **July 31, 2015**, to those Members who hold shares -
 - In dematerialised mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on **July 24, 2015**.
 - In physical mode, if their names appear in the Register of Members at the close of business hours on **July 24, 2015**. The instruments of transfer in respect of shares held in physical form of the Company should be lodged with Karvy Computershare Private Limited, [Unit: IDFC Limited] Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, India ("**Karvy**"), so as to reach them on or before **July 24, 2015**.

NOTICE (continued)

11. Members are requested to address all correspondence, including change in address, bank account details and dividend matters, to 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”).
12. Pursuant to the applicable provisions of Companies Act, 1956, the amount of dividend/interest not encashed or claimed within 7 (Seven) years from the date of its transfer to the unpaid dividend / interest account, is required to be transferred to the Investor Education and Protection Fund (“IEPF”) established by the Central Government. Accordingly, the request for unclaimed dividend in respect of FY08 must reach Karvy on or before August 21, 2015, failing which it would be transferred to IEPF after that date.
13. Members who have either not received or have not encashed their dividend warrant(s) for any of the financial years from 2007-08 up to 2013-14, 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).
14. **GREEN INITIATIVE:**
 - a) In support of the Green Initiative, copies of the Annual Report for FY15 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 FY15 are being sent by the permitted mode. Members may also note that Notice and Explanatory Statement 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 einward.ris@karvy.com or send a hard copy thereof to Karvy.
15. **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 Clause 35B of the Equity Listing Agreement, 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. Friday, July 24, 2015**, 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 **Monday, July 27, 2015** at **9:00 a.m.** and ends on **Wednesday, July 29, 2015** at **5:00 p.m.** 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 recent amendment to 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. Friday, July 24, 2015**.
 - c) The Board of Directors has appointed Mr. B. Narasimhan, Company Secretary of M/s BN & Associates, Company Secretaries, as the Scrutinizer to scrutinize the Remote e-voting process and voting process at the AGM in a fair and transparent manner.
 - d) An Attendance Slip containing the e-voting USER ID & PASSWORD along with the detailed instructions for Remote e-voting are enclosed with this Notice.
16. 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 3 days from the conclusion of the AGM.

NOTICE (continued)

ANNEXURE TO NOTICE

Statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out all material facts:

Item No. 5

Appointment of Mr. Vinod Rai as Independent Director of the Company

Mr. Vinod Rai is currently a member of the Advisory Council of the Company. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of IDFC appointed Mr. Rai as an Additional Director, in the category of Independent Director (“ID”), on June 30, 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 ₹ 1,00,000/- proposing the candidature of Mr. Vinod Rai for appointment as an ID of the Company.

Mr. Rai 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 affirmation to the Code of Independent Directors as prescribed under Schedule IV of the Companies Act, 2013.

A detailed profile of Mr. Rai has been given in the Exhibit to this Notice. The Board considers that his wide experience of working in various capacities at both, the Federal and State Governments would be of immense benefit to the Company. In the opinion of the Board, Mr. Rai fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and is Independent of the Management.

Mr. Rai is proposed to be appointed as ID for a period of 3 (Three) consecutive years from the ensuing 18th AGM till the conclusion of 21st AGM 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. Vinod Rai, none of the Directors or Key Managerial Personnel and / or their relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

The Board of Directors recommend passing of Ordinary Resolution as set out in Item No. 5 of this Notice.

All the documents pertaining to the appointment of Mr. Rai 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.

Item No. 6

Offer and Issue Non-Convertible Securities under Private Placement

IDFC has been borrowing through issue of Secured Redeemable Non-Convertible Debentures (“NCDs”) and Commercial Papers (“CPs”) on Private Placement (“PP”) basis, from time to time.

Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, lays down the provisions subject to which a company is allowed to issue securities on PP basis. Every proposed offer of Securities or invitation to subscribe to Securities on PP 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 debentures, once in a year is sufficient.

In view of the aforesaid provisions and in order to augment the business of the Company, it is proposed to seek approval of the Members for borrowing, from time to time, by issuance of Non-Convertible Securities, including but not limited to NCDs and CPs, on PP basis, up to an amount not exceeding ₹ 80,000 crore (Rupees Eighty Thousand Crore only), outstanding at any point of time, The said limit of ₹ 80,000 crore (Rupees Eighty Thousand Crore only) shall be within the overall borrowing limit as approved by the Members at the 17th (Seventeenth) AGM under Section 180(1)(c) of the Companies Act, 2013.

The pricing of the 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.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 6 of this Notice.

None of the Directors or Key Managerial Personnel and / or their relatives, are in any way, financial or otherwise, interested or concerned in this resolution.

By order of the Board of Directors

Mahendra N. Shah

Company Secretary

Mumbai, June 30, 2015

NOTICE (continued)

EXHIBIT TO NOTICE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished in respect of Directors proposed to be appointed/reappointed.

Name of the Director	Mr. Joseph Dominic Silva	Mr. Vinod Rai
Date of Birth	December 11, 1964	May 23, 1948
Age	50 yrs	67 yrs
Date of Appointment	October 26, 2012	June 30, 2015
Qualifications and Nature of Expertise	<p>Mr. Joseph Silva is a Non-Independent, Non-Executive Director on the Board of IDFC. Mr. Silva is currently Executive Director (Investments) of Khazanah Nasional Berhad and also serves as a Director on the Boards of CIMB Bank Berhad, PT Bank CIMB Niaga Tbk, ASTRO Holdings Sdn Bhd, Iskandar Malaysia Studios Snd Bhn, among others. Mr. Silva has 18 years of experience in the banking sector with extensive regional and international exposure.</p> <p>Before joining Khazanah, Mr. Silva spent 18 years in the banking sector, 12 of which were with ABN AMRO Bank in regional and international roles where he looked after relationship management, structured finance, capital markets, risk and portfolio management and strategic business development. Earlier, he worked with a major Japanese financial group in Asia within the Corporate Finance division.</p> <p>Mr. Silva is a finance graduate from the University of Wales and has completed the Senior Management Program at Henley Management College, UK.</p>	<p>Mr. Vinod Rai was the former Comptroller and Auditor General of India. He is the current chairman of UN Panel of External Auditors. Mr. Rai has wide experience of working in various capacities at both, the Central and State Governments. His previous position was as Secretary in the Ministry of Finance - Gol, where he was responsible for managing the Financial Services sector, including banks and insurance companies. He had been a Director on several Boards including the State Bank of India, ICICI Bank, IDBI Bank, Life Insurance Corporation of India and IDFC.</p> <p>Mr. Rai was instrumental in setting up the India Infrastructure Finance Company Limited and was also on the Board of this company. Mr. Rai has also been the Principal Secretary (Finance) in the State Government of Kerala, apart from holding senior positions in the Ministries of Commerce and Defence, Gol. Mr. Vinod Rai has a Masters Degree in Economics from Delhi School of Economics, University of Delhi. He has a Masters Degree in Public Administration from Harvard University, USA.</p>
Directorships held in other Indian public companies (other than Section 8 companies)	NIL	NIL
Memberships / Chairmanships of Committees	NIL	NIL
Number of Equity Shares held in the Company	NIL	NIL

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

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

18th ANNUAL GENERAL MEETING – JULY 30, 2015

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 :

- Name : _____ E-mail Id : _____
Address: _____

Signature: _____ or failing him/her
- Name : _____ E-mail Id : _____
Address: _____

Signature: _____ or failing him/her
- 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 18th Annual General Meeting of the Company, to be held on Thursday, July 30, 2015 at 2:00 p.m. at The Music Academy, Kasturi Srinivasan Hall, New No. 168 (Old No. 306), Next to Acropolis Building, 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
ORDINARY BUSINESS	
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon.
2.	To declare dividend on equity shares.
3.	To appoint a Director in place of Mr. Joseph Dominic Silva (DIN: 06388807), who retires by rotation and being eligible, offers himself for reappointment.
4.	To appoint Auditors and to fix their remuneration.
SPECIAL BUSINESS	
5.	Appointment of Mr. Vinod Rai (DIN: 01119922) as an Independent Director.
6.	Offer and Issue Non-Convertible Securities under Private Placement.

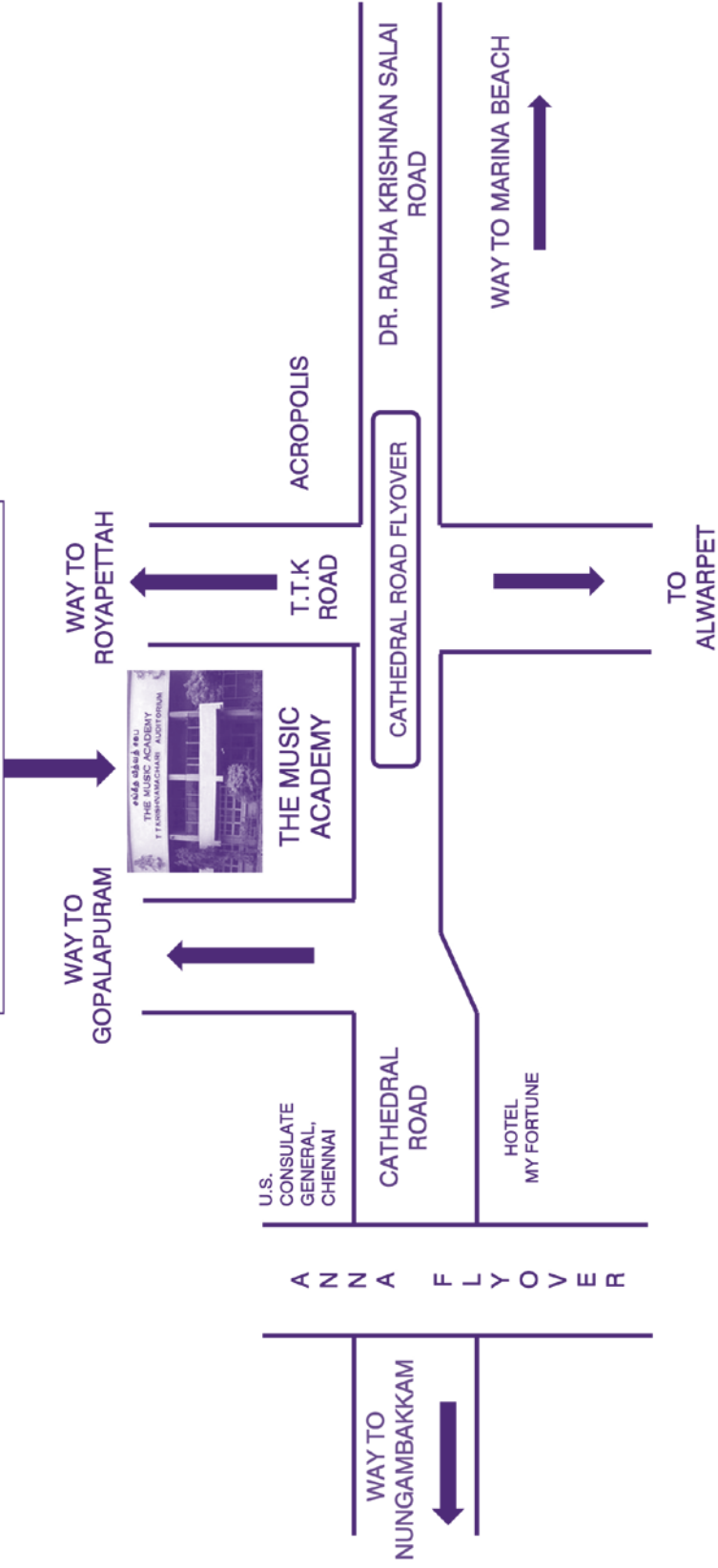
Signed this _____ day of _____ 2015

Signature of Shareholder _____ Signature of Proxy holder(s) _____

AFFIX
Revenue
Stamp of
₹ 1

Note: 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.

18th AGM of IDFC Limited
THE MUSIC ACADEMY,
 KASTURI SRINIVASAN HALL,
 Next to Acropolis Building,
 New No. 168 (Old No.306), T.T.K. Road,
 Royapettah, Chennai 600 014, Tamil Nadu



ROUTE MAP FOR IDFC AGM VENUE



**IDFC LIMITED**

CIN: L65191TN1997PLC037415

www.idfc.com | info@idfc.com**REGISTERED OFFICE**

KRM Tower, 8th floor
No.1, Harrington Road
Chetpet
Chennai 600 031

TEL +91 (44) 4564 4000**FAX** +91 (44) 4564 4022**CORPORATE 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



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

ATTENDANCE SLIP

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Regd. Folio No./ DP ID & Client ID	
Name and Address of the Shareholder	
Name(s) of the Joint Holder(s), if any	
No. of shares held	
Full name of Proxy (IN BLOCK LETTERS)	
Member's / Proxy's Signature	

I hereby record my presence at the **EIGHTEENTH ANNUAL GENERAL MEETING** of the Company held on **Thursday, July 30, 2015 at 2.00 p.m.** at The Music Academy, Kasturi Srinivasan Hall, New No. 168 (Old No. 306), Next to Acropolis Building, T.T.K. Road, Royapettah, Chennai - 600 014.

ELECTRONIC VOTING PARTICULARS

EVEN (E Voting Even Number)	User ID	Password

Notes:

- 1) A Member or Proxy holder needs to furnish duly signed 'Attendance Slip' along with a valid Identity proof such as PAN card, Passport, Aadhar card or Driving License to enter the AGM hall.**
- 2) Members and Proxy holders are requested to bring their copy of Annual Report for reference at the AGM.
- 3) E-voting letter is being sent to those Members of the Company who are holding shares as on **Friday, June 19, 2015**. In case a person becomes the Member of the Company post June 19, 2015 and continues to hold shares till the **cut-off date i.e. Friday, July 24, 2015**, he/she may write to ketan.kulkarni@idfc.com requesting for User ID and Password. After receipt of the above credentials, please follow all the steps mentioned in instructions on Remote e-voting to cast the vote.
- 4) **The Remote e-voting period will commence on Monday, July 27, 2015 at 9:00 a.m. and will end on Wednesday, July 29, 2015 at 5:00 p.m.** During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the **cut-off date i.e. Friday, July 24, 2015**, may cast their vote by electronic means in the manner and process set out overleaf. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote by way of Physical Ballot at the AGM and their vote, if cast at the Meeting shall be treated as invalid. **A person who is not a member as on the cut-off date should treat this notice for information purpose only.**

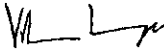
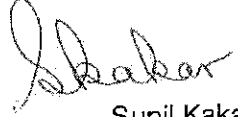
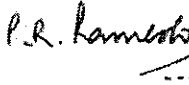

INSTRUCTIONS ON REMOTE E-VOTING

The instructions and other information relating to Remote e-voting are as under:

1. **A. In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:**
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. **User ID and Password** provided in the email). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail id, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e. IDFC Limited.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as Abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast. During the voting period, Members can login any number of times till they have voted on all the Resolutions.
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: idfcevoting2015@karvy.com with a copy marked to ketan.kulkarni@idfc.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN" The documents should reach the Scrutinizer on or before **Wednesday, July 29, 2015 at 5.00 p.m.**
- B. In case of Members receiving physical copy of the AGM Notice by Courier [for Members whose e-mail ids are not registered with the Company/Depository Participant(s)]:**
 - i. **User ID and initial Password** as provided overleaf.
 - ii. Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
2. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website) or contact Mr. M R V Subrahmanyam at Karvy Computershare Private Limited [Unit: IDFC Limited], Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Contact No. Phone : +91 40 67161500, +91 40 33211000 and Toll Free No.: 1800 345 4001.
3. 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. Friday, July 24, 2015.**
4. The Board of Directors has appointed Mr. B. Narasimhan, Company Secretary of M/s BN & Associates, Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. The Members who are entitled to vote but have not exercised their right to vote through Remote e-voting may vote at the AGM through Physical Ballot for all businesses specified in the accompanying Notice.
6. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, will first count the votes cast at the AGM, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 3 days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorised by him in writing will declare the results of voting forthwith.
7. The Results on resolutions shall be declared not later than 3 days from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
8. 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 3 days from the conclusion of the AGM.

Form A

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

1	Name of the Company:	IDFC Limited
2	Annual Financial Statements for the year ended	31 st March 2015
3	Type of Audit Observation	Un-Qualified
4	Frequency of observation	NA
5	To be signed by	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Vikram Limaye Managing Director & CEO </div> <div style="text-align: center;">  Sunil Kakar Chief Financial Officer </div> </div> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  P R Ramesh Auditor Deloitte Haskins & Sells LLP </div> <div style="text-align: center;">  S. H. Khan Audit Committee Chairman </div> </div>