



BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty-Third Annual Report together with the audited financial statements for the financial year ended March 31, 2020.

OPERATIONS REVIEW

Effective October 1, 2015 post demerger of Financing Undertaking into IDFC FIRST Bank Limited (earlier known as IDFC Bank), IDFC Limited ("IDFC" or "the Company") is operating as an NBFC – Investment Company mainly holding investment in IDFC Financial Holding Company Limited ("IDFC FHCL") which is a non-operative financial holding company. IDFC FHCL in turn holds investments in IDFC FIRST Bank Limited and IDFC Asset Management Company Limited.

During the year, Balance Sheet size decreased from Rs. 9,821 crore as on March 31, 2019 to Rs. 9,332 crore as on March 31, 2020. Profit after tax and other comprehensive income was lower at Rs. 64.22 crore for FY 2019-20 as compared to Rs. 127.66 crore in FY 2018-19. Net worth of the Company decreased from Rs. 9,779 crore as on March 31, 2019 to Rs. 9,256 crore as on March 31, 2020.

During the year, the Company transferred Rs. 12.85 crore to Special Reserve u/s 45-IC of Reserve Bank of India ("RBI") Act, 1934.

Details of business overview and outlook of the Company and its subsidiaries are appearing in the chapter Management Discussion and Analysis which forms part of this report.

COVID-19

FY20 has been a challenging year. In the last month of FY20, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-down of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. As of March 31, 2020, work from home was enabled to the employees to work remotely and securely.

DIVIDEND

During FY20, the Company declared 1st interim dividend of Rs. 2.50 (25%) per equity share of the Company by a resolution passed through circulation on September 21, 2019. The Company declared 2nd interim dividend of Rs. 0.65 (6.5%) per equity shares of the Company by a resolution passed through circulation on November 14, 2019.

The Board of Directors has not recommended any final dividend for FY20.

DIVIDEND DISTRIBUTION POLICY

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

SUBSIDIARY COMPANIES

As on March 31, 2020, the Company has eight domestic direct / indirect subsidiaries, four foreign indirect subsidiaries, four Associate Companies and three Joint Ventures which are given in **Table 1**.

NIIF Infrastructure Finance Limited (NIIF Fund II) (previously IDFC Infrastructure Finance Limited)

IDFC & IDFC FHCL had entered into definitive agreement with NIIF FUND II to sale its entire equity stake (81.48%) held in IDFC Infrastructure Finance Limited. After obtaining the necessary regulatory approval, 51.48% of equity stake was transferred to NIIF Fund II at a consideration of Rs. 388.91 crore as the first tranche of the transaction in March 2019.

During the year, second tranche of the transaction was closed and IDFC FHCL received a consideration of Rs. 265.91 crores for its 30% residual shareholding. Subsequent to the completion of this transaction, the IDFC group does not hold any shareholding in NIIF FUND II. Accordingly, NIIF Infrastructure Finance Limited ceased to be associate company of IDFC FHCL. The same was accordingly informed to the stock exchanges.

IDFC SECURITIES LIMITED

During the year, IDFC & IDFC FHCL had entered into an understanding with Mr. Dharmesh Mehta along with other investors (“Acquirers”) to sell its entire equity stake (100%) held in IDFC Securities Limited after obtaining the necessary regulatory approval.

IDFC Securities was an indirect subsidiary company of IDFC Limited as on March 31, 2020. However, on June 10, 2020, IDFC transferred equity stake held in IDFC Securities to the Acquirers, after obtaining all necessary regulatory approvals, at a consideration of Rs. 86 crore.

IDFC Capital (Singapore) Pte. Ltd. and IDFC Securities Singapore Pte. Ltd. are under liquidation.

CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of IDFC reviews the affairs of its subsidiary companies

regularly. In accordance with the provisions of Section 129(3) of the Companies Act, 2013 (the Act) the Company has prepared Consolidated Financial Statements including requisite details of all the subsidiaries. Further, a statement containing the salient features of performance and financial positions of all the subsidiary companies / associates/ joint ventures in the format AOC-I is appended as **Annexure 1**.

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

Detailed analysis of the performance of IDFC and its businesses, including initiatives in the areas of Risk Management, Human Resources and IDFC Foundation activities, have been presented in the section on

01 SUBSIDIARY COMPANIES

SR. NO.	NAME OF THE SUBSIDIARY	DIRECT / INDIRECT SUBSIDIARY	% OF SHAREHOLDING
Domestic Subsidiaries			
i.	IDFC Financial Holding Company Limited (“IDFC FHCL”)	Direct	100%
ii.	IDFC Foundation (a Company within the meaning of section 8 of the Act)	Direct	100%
iii.	IDFC Projects Limited	Direct	100%
iv.	IDFC Trustee Company Limited	Direct	100%
v.	IDFC Alternatives Limited	Direct	100%
vi.	IDFC Asset Management Company Limited (“IDFC AMC”)	Indirect through IDFC FHCL	100%
vii.	IDFC Securities Limited	Indirect through IDFC FHCL	100%
viii.	IDFC AMC Trustee Company Limited	Indirect through IDFC FHCL	100%
Foreign Subsidiaries			
i.	IDFC Capital (Singapore) Pte. Limited	Indirect through IDFC Alternatives	100%
ii.	IDFC Securities Singapore Pte. Limited	Indirect through IDFC Securities	100%
iii.	IDFC Capital (USA) Inc.	Indirect through IDFC Securities	100%
iv.	IDFC Investment Managers (Mauritius) Ltd.	Indirect through IDFC AMC	100%
Associate			
i.	IDFC FIRST Bank Limited	Indirect through IDFC FHCL	40%
ii.	IDFC FIRST Bharat Limited	Indirect through IDFC FHCL	40%
iii.	Jetpur Somnath Tollways Private Limited	Indirect through IDFC Projects Limited	26%
iv.	NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) up to March 30, 2020	Indirect through IDFC FHCL	30%
v.	Novopay Solutions Private Limited	Direct	23.83%
Joint Ventures			
i.	Delhi Integrated Multi - Modal Transit System Limited	Indirect through IDFC Foundation	50%
ii.	Infrastructure Development Corporation (Karnataka) Limited (“iDeck”)	Indirect through IDFC Foundation	49.49%
iii.	Rail Infrastructure Development Company (Karnataka) Limited	Indirect through iDeck	24.71%

Management Discussion & Analysis which forms part of this Annual Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

IDFC Limited had 9 employees as on March 31, 2020 and 420 employees including employees of subsidiaries. In terms of the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules 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 Shareholders of the Company. The said information is available for inspection and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

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

SHARE CAPITAL UPDATE

There was no change in the share capital of the Company during FY20.

MANAGEMENT DISCUSSION ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of SEBI LODR Regulations and Notifications issued from time to time, a separate report called Business Responsibility Report ("BRR") describing the initiatives taken by IDFC from an environmental, social and governance perspective is hosted on the

Company's website: www.idfc.com which forms part of this Annual Report.

PUBLIC DEPOSITS

During FY20, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 or under Chapter V of the Act.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

IDFC has put in place a Whistle Blower Policy, which includes reporting to the Management instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Audit Committee directly oversees the Vigil Mechanism. The provisions of the policy are also in line with the provisions of Section 177 (9) & (10) of the Act. The details of Whistle Blower Policy /Vigil Mechanism are posted on the website of the Company: www.idfc.com.

FOREIGN EXCHANGE

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

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, Based on

recommendation of Nomination and Remuneration Committee, the Board appointed Ms. Ritu Anand (DIN - 05154174) and Mr. Ajay Sondhi (DIN - 01657614) as an Additional Director in the category of Independent Director w.e.f. August 16, 2019 and November 08, 2019 respectively. At the previous AGM, the Shareholders of the Company approved the appointment of Ms. Ritu Anand as an Independent Director. Appointment of Mr. Ajay Sondhi is up to the conclusion of the ensuing AGM. Accordingly, the approval of Shareholders is sought for appointment of Mr. Ajay Sondhi (DIN - 01657614) as an Independent Director at the ensuing AGM.

Further, based on recommendation of Nomination and Remuneration Committee, The Board of Directors of the Company appointed Mr. Mahendra N Shah as Company Secretary and Compliance Officer of the Company w.e.f. May 24, 2019 as designated Key Managerial Personnel in place of Mr. Nirav Shah.

At the 20th AGM of the Company held on July 28, 2017, the shareholders of the Company appointed Mr. Sunil Kakar (DIN - 03055561), as Managing Director & Chief Executive Officer ("MD & CEO"), designated Key Managerial Personnel of the Company for a period of three (3) years w.e.f. July 16, 2017. The term of Mr. Sunil Kakar will expire on July 15, 2020. Based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders of the Company at its ensuing AGM, the Board of Directors of the Company, at its meeting held on June 25, 2020 appointed Mr. Sunil Kakar as MD & CEO, designated Key Managerial Personnel of the Company, w.e.f. July 16, 2020 till September 30, 2022.

Mr. Soumyajit Ghosh (DIN: 07698741) will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Shareholders are requested to consider and approve the same at the ensuing AGM.

FRAMEWORK FOR APPOINTMENT OF DIRECTORS

The Company has in place a framework for Board Diversity, Fit & Proper Criteria and

Succession Planning for appointment of Directors on the Board of the Company.

DECLARATION OF INDEPENDENCE

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

SPECIAL BUSINESS

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

- i. Appointment of Mr. Ajay Sondhi as an Independent Director of the Company
- ii. Re-appointment of Mr. Sunil Kakar as MD & CEO of the Company

SHAREHOLDERS' UPDATE

On November 8, 2019, the Board of Directors of the Company had approved transfer of 100% equity shares of IDFC Alternatives Limited and IDFC Trustee Company Limited held by IDFC Financial Holding Company Limited (wholly owned subsidiary of the Company) at book value to the Company for Rs. 200.05 crore and Rs. 0.05 crore respectively. Consequently, IDFC Alternatives Limited and IDFC Trustee Company Limited became the direct wholly owned subsidiary companies of IDFC Limited.

MERGER OF IDFC ALTERNATIVES LIMITED AND IDFC TRUSTEE COMPANY LIMITED WITH IDFC LIMITED

IDFC Alternatives Limited is wholly owned subsidiary of IDFC Limited ("IDFC"). IDFC Alternatives Limited had sold its (i) Infrastructure asset management

business to Global Infrastructure Partners or its affiliates ("GIP") at a lump sum consideration of Rs. 219.80 crore (including value for carry units); and (ii) Private Equity and Real Estate funds to Investcorp Bank B.S.C. or its affiliate ("Investcorp"). at a lump sum consideration of Rs. 5 crore. Since December 31, 2019, the Company does not have any business operations.

IDFC Trustee Company Limited is wholly owned subsidiary of IDFC. The Company acted as a Trustee of various funds managed by IDFC Alternatives. Since December 31, 2019, IDFC Trustee Company Limited does not have any business operations.

In order to simplify corporate structure and to enhance operational efficiencies and bring synergy, The Board of Directors of the Company had approved to amalgamate IDFC Alternatives Limited and IDFC Trustee Company Limited with IDFC Limited subject to approval of shareholders and other regulatory authorities, as applicable. Further, there would not be any swap of shares and / or payment of consideration for the proposed amalgamation as it will be a case of the subsidiary companies getting amalgamated with the holding company. Pursuant to general circular no. 30/2014 issued by the Ministry of Corporate Affairs on July 17, 2014, such amalgamation / merger will not be considered as related party transaction under section 188 of the Companies Act, 2013. The Company is in process of finalizing scheme of Amalgamation and will seek approval of the shareholders as per the directions of the regulatory authorities.

MERGER OF IDFC PROJECTS LIMITED WITH IDFC LIMITED

IDFC Projects Limited is wholly owned subsidiary of IDFC Limited ("IDFC"). IDFC Projects do not have any business.

In order to simplify corporate structure and to enhance operational efficiencies and bring synergy, The Board of Directors of the Company had approved to amalgamate IDFC Projects Limited with IDFC Limited subject to approval of shareholders and other regulatory authorities, as applicable. Further, there would not be any swap of shares and

/ or payment of consideration for the proposed amalgamation as it will be a case of the subsidiary company getting amalgamated with the holding company. Pursuant to general circular no. 30/2014 issued by the Ministry of Corporate Affairs on July 17, 2014, such amalgamation / merger will not be considered as related party transaction under section 188 of the Companies Act, 2013. The Company is in process of finalizing scheme of Amalgamation and will seek approval of the shareholders as per the directions of the regulatory authorities.

BOARD AND ITS COMMITTEES

During the year, 6 (six) Board Meetings and 4 (four) Audit Committee Meetings were held. Audit Committee comprises of Ms. Ritu Anand (DIN: 05154174) - Chairperson, Mr. Vinod Rai (DIN: 00041867), Mr. Ajay Sondhi (DIN: 01657614) and Mr. Anshuman Sharma (DIN: 07555065). All the recommendations made by the Audit Committee during the year were accepted by the Board. The details of the constitution and meetings of the Board, Audit Committee and other Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

BOARD EVALUATION

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

NOMINATION & REMUNERATION COMMITTEE / REMUNERATION POLICY

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

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

AUDITORS

STATUTORY AUDITORS

At the AGM of the Company held on July 28, 2017, the Shareholders had approved the appointment of Price Waterhouse & Co, Chartered Accountants LLP (FRN 304026E / E300009) ("PWC") as Statutory Auditors for a period of 5 years to hold office from the conclusion of the 20th AGM till the conclusion of the 25th AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018, by the Ministry of Corporate Affairs, the appointment of the Statutory Auditors is not required to be ratified at every Annual General Meeting.

PWC has confirmed that they are not disqualified from continuing as Statutory Auditors of the Company for FY21.

COST AUDIT

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. BNP & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for FY20. The Secretarial Audit Report is appended as **Annexure 3**.

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

INTERNAL CONTROL SYSTEMS

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and

procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter Information Technology controls. Internal Audit of the Company is regularly carried out. The Audit Reports of Internal Auditors i.e. M/s Grant Thornton India LLP ("GT"), along with their recommendations and implementation contained therein are regularly reviewed by the Audit Committee.

GT verified the key Internal Financial Control by reviewing key controls impacting financial reporting and overall risk management procedures of the Company and found the same satisfactory.

RISK MANAGEMENT POLICY

IDFC FIRST Bank Limited and IDFC Asset Management Company Limited have robust and comprehensive risk management framework and covers all three types of risks - credit, market and operational risk. IDFC does not have major operations hence its risk management is limited to operations & liquidity risk. Risk management committee of the Board reviews and monitors risk management at regular intervals.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

IDFC Securities was an indirect subsidiary company of IDFC Limited as on March 31, 2020. However, on June 10, 2020, IDFC transferred equity stake held in IDFC Securities to the Acquirers, after obtaining all necessary regulatory approvals, at a consideration of Rs. 86 crore. The same accordingly informed to the stock exchanges.

There are no material changes and commitments, affecting the financial position of IDFC which has occurred between the end of FY20 and the date of this Board's report.

INSTANCES OF FRAUD REPORTED BY THE AUDITORS

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

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

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

ANTI SEXUAL HARASSMENT POLICY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- In that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- In that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- In that the annual financial statements have been prepared on a going concern basis;
- In that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- In that internal systems / controls

to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

GREEN INITIATIVE

In accordance with General Circular No. 20/2020 dated May 5, 2020 issued by Ministry of Corporate Affairs and circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the Company has sent the Annual Report / Notice of AGM only through electronic mode to those Shareholders whose e-mail Ids were registered with the Company / RTA / Depository Participants.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return for FY20 in the prescribed Form No. MGT-9 and Annual Return of the Company are available on the website: www.idfc.com

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee, as constituted under section 135 of the Act, comprises of:

- i. Mr. Sunil Kakar (DIN: 03055561) - Chairman,
- ii. Mr. Vinod Rai (DIN: 00041867); and
- iii. Mr. Anshuman Sharma (DIN: 07555065)

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

RELATED PARTY TRANSACTIONS

The Company has in place the policy on Related Party Transactions and the same has been uploaded on the website of the Company i.e. www.idfc.com. 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.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover of the Company as per the last audited financial statements, were entered during the year by your Company.

EMPLOYEE STOCK OPTION SCHEME

Pursuant to the resolution passed by the Members through Postal Ballot dated June 25, 2016, IDFC introduced IDFC Employee Stock Option Scheme, 2016 ("IDFC ESOS 2016") to enable the employees of IDFC and its subsidiaries to participate in the future growth and financial success of the Company. The Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The Company has used Fair Value as

determined under Black Sholes model to account for the compensation cost of stock options to employees of the Company.

Disclosures as required under the SEBI (Share Based Employee Benefits) Regulations, 2014, are hosted on the Company's website: www.idfc.com which forms part of this Annual Report.

ACKNOWLEDGEMENTS

We are grateful to the Government of India, State Governments, RBI, SEBI, Stock Exchanges, various Ministries and other domestic and overseas regulatory bodies for their continuous collaboration and support. We would like to thank all our Shareholders, Banks for their co-operation and assistance during the year under review.

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

FOR AND ON BEHALF OF THE BOARD

Vinod Rai
Independent Non-Executive Chairman
New Delhi | June 25, 2020

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

[Pursuant to first proviso to sub-section 3 of Section 129 of the Act, read with Rule 5 of the Companies (Accounts) Rules 2014]

PART A SUBSIDIARIES

SR NO.	NAME OF SUBSIDIARY COMPANIES	CAPITAL	RESERVES	TOTAL ASSETS	TOTAL LIABILITIES
1	IDFC Alternatives Limited	0.22	269.78	276.42	6.42
	(Previous Year)	0.22	396.88	401.67	4.57
2	IDFC AMC Trustee Company Limited	0.05	0.22	0.31	0.04
	(Previous Year)	0.05	0.20	0.28	0.03
3	IDFC Asset Management Company Limited	2.68	289.94	401.26	108.64
	(Previous Year)	2.68	290.55	368.11	74.88
4	IDFC Capital (Singapore) Pte. Ltd. * [§]	21.60	(17.82)	4.03	0.25
	(Previous Year)	246.22	(19.60)	227.47	0.85
5	IDFC Capital (USA) Inc. **	4.62	2.82	7.52	0.08
	(Previous Year)	4.62	2.14	6.78	0.02
6	IDFC Foundation	13.00	42.16	71.91	16.75
	(Previous Year)	13.00	50.18	67.64	4.46
7	IDFC Investment Managers (Mauritius) Limited *	3.20	(3.02)	0.28	0.10
	(Previous Year)	2.51	(2.39)	0.20	0.08
8	IDFC Projects Limited	85.55	(179.47)	0.43	94.35
	(Previous Year)	85.55	(178.60)	0.84	93.89
9	IDFC Securities Limited #	14.14	59.62	118.82	45.06
	(Previous Year)	14.14	123.95	154.51	16.42
10	IDFC Securites Singapore Pte. Ltd ** [§]	19.68	(19.38)	0.59	0.29
	(Previous Year)	17.63	(16.63)	1.35	0.35
11	IDFC Trustee Company Limited	0.05	0.52	0.58	0.01
	(Previous Year)	0.05	7.46	7.53	0.02
12	IDFC Financial Holding Company Limited	9,029.24	83.73	9,128.93	15.96
	(Previous Year)	9,029.24	(22.37)	9,020.03	13.16
13	IDFC IEH Tactical Fund	28.05	(3.53)	24.63	0.11
	(Previous Year)	25.80	0.02	25.90	0.08
14	IDFC IEH Conservative Fund	41.00	(1.30)	40.27	0.57
	(Previous Year)	57.25	(0.05)	56.80	(0.40)

* Exchange rate:

Closing Rate : 1 USD = Rs. 75.37

Average Rate : 1 USD = Rs. 71.05

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

During FY20, the Company sold IDFC Securities Limited to the Acquirers on June 10, 2020. Consequently, IDFC Securities Singapore Pte. Ltd. and IDFC Capital (USA) Inc. also ceased to be subsidiary of IDFC Limited.

§IDFC Securites Singapore Pte. Ltd and IDFC Capital (Singapore) Pte. Ltd. are under liquidation.

Rs. IN CRORE

INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	OTHER COMPREHENSIVE INCOME	TOTAL COMPREHENSIVE INCOME	PROPOSED DIVIDEND (%)	% OF SHAREHOLDING	
							PREFERENCE	EQUITY
115.35	-	2.24	4.11	-	(1.87)	-	-	100%
325.68	40.84	103.76	27.56	-	76.20	-	-	100%
-	0.30	0.02	β	-	0.02	-	-	100%
-	0.24	0.08	0.02	-	0.06	-	-	100%
263.09	305.79	108.29	28.24	(0.65)	79.40	-	-	100%
190.58	264.65	69.50	23.99	(1.86)	43.65	1250%	-	100%
-	11.95	9.25	-	-	9.25	-	-	100%
103.41	6.38	(1.72)	-	-	(1.72)	-	-	100%
-	1.44	0.09	0.01	-	0.08	-	-	100%
-	1.41	0.11	0.02	-	0.09	-	-	100%
42.11	7.74	(7.98)	-	0.04	(8.02)	-	-	100%
41.14	28.39	4.83	-	0.37	4.46	-	-	100%
-	-	(0.65)	-	-	(0.65)	-	-	100%
-	-	(0.51)	-	-	(0.51)	-	-	100%
-	-	(0.90)	(0.03)	-	(0.87)	-	-	100%
0.41	-	(27.23)	0.04	-	(27.27)	-	-	100%
4.62	39.82	(7.92)	0.43	1.12	(7.23)	-	-	100%
55.85	48.68	(4.33)	5.02	(2.13)	(11.48)	-	-	100%
-	-	(2.81)	-	-	(2.81)	-	-	100%
-	0.43	(4.63)	-	-	(4.63)	-	-	100%
-	0.20	0.40	0.10	-	0.30	-	-	100%
7.39	0.81	1.34	0.36	-	0.98	-	-	100%
8,519.66	120.34	119.78	13.68	-	106.10	-	-	100%
8,911.65	188.17	37.96	30.52	-	7.44	-	-	100%
11.25	(2.82)	(3.58)	(0.01)	-	(3.57)	-	-	71%
10.46	0.11	0.05	0.03	-	0.02	-	-	78%
15.09	2.54	1.25	2.00	-	(0.75)	-	-	73%
29.85	(0.43)	(0.51)	0.04	-	(0.55)	-	-	61%

For and on behalf of the Board of Directors of

IDFC Limited

CIN: L65191TN1997PLC037415

Vinod Rai

Non-Executive Chairman
(DIN: 00041867)
New Delhi: June 25, 2020

Sunil Kakar

Managing Director & CEO
(DIN: 03055561)
Mumbai: June 25, 2020

Bipin Gemani

Chief Financial Officer
(PAN: AACPG6412A)
Mumbai: June 25, 2020

Mahendra N. Shah

Company Secretary
(PAN: ABRPS7427F)
Mumbai: June 25, 2020

ANNEXURE 1 **AOC - I STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES**
 [Pursuant to first proviso to sub-section 3 of Section 129 of the Act, read with Rule 5 of the Companies (Accounts) Rules 2014]

Part B ASSOCIATES AND JOINT VENTURES

SL. NO.	NAME OF ASSOCIATES/JOINT VENTURES	IDFC FIRST BANK LIMITED	IDFC FIRST BHARAT LIMITED
1	Latest audited Balance Sheet Date	March 31, 2020	March 31, 2020
2	The date since when Associate/Joint Ventures was acquired	October 21, 2014	October 13, 2016
3	Shares/Units of Associate/Joint Ventures held by the company on the year end		
	Numbers of shares/units	1,923,961,207	2,231,998
	Amount of Investment in Associates/Joint Venture	7,554.46	232.40
	Extend of Holding %	40.00%	40.00%
4	Description of how there is significant influence	Associate (see note 1)	Associate (see note 1)
5	Reason why the associate/joint venture is not consolidated	NA	NA
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	6,090.28	61.75
7	Profit / (Loss) for the year		
	i. Considered in Consolidation	(1,456.89)	17.54
	i. Not Considered in Consolidation	-	-

(i) Names of associates or joint ventures which are yet to commence operations. NA

(ii) Names of associates or joint ventures which have been liquidated or sold during the year.

- Uttarakhand Infrastructure Development Company Limited (Under Liquidation) - joint venture of IDFC Foundation is under liquidation.

Note 1: IDFC FIRST Bank Limited and IDFC FIRST Bharat Limited are Associates of IDFC Financial Holding Company Limited. Under Ind-AS 110, IDFC FIRST Bank Limited does not qualify to be a subsidiary as the Group fails to demonstrate control over it due to restricted voting rights as per the prevailing legal framework coupled with the absence of de-facto control. However, this does not preclude the Group from exercising significant influence over IDFC FIRST Bank Limited. Accordingly, IDFC FIRST Bank Limited is considered as an associate under IndAS 28. Further, IDFC FIRST Bharat Limited is a 100% subsidiary of IDFC FIRST Bank Limited.

Note 2: Delhi Integrated Multi Modal Transit System Limited and Infrastructure Development Corporation (Karnataka) Limited are Joint Ventures of IDFC Foundation.

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

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

Rs. IN CRORE

JETPUR SOMNATH TOLLWAYS PRIVATE LIMITED	NOVOPAY SOLUTIONS PRIVATE LIMITED	DELHI INTEGRATED MULTI - MODAL TRANSIT SYSTEM LIMITED	INFRASTRUCTURE DEVELOPMENT CORPORATION (KARNATAKA) LIMITED ("IDECK")
March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
January 11, 2011	March 6, 2017	March 23, 2011	March 23, 2011
42,637,400	227,145	73,045	4,948,505
132.19	35.62	14.73	15.48
26.00%	23.83%	50.00%	49.49%
Associate (see note 3)	Associate	Associate (see note 2)	Associate (see note 2)
See note 4	NA	NA	NA
8.71	2.87	59.45	48.34
-	(0.51)	1.50	(1.43)
(1.65)	-	-	-

For and on behalf of the Board of Directors of

IDFC Limited

CIN: L65191TN1997PLC037415

Vinod Rai

Non-Executive Chairman
(DIN: 00041867)
New Delhi: June 25, 2020

Sunil Kakar

Managing Director & CEO
(DIN: 03055561)
Mumbai: June 25, 2020

Bipin Gemani

Chief Financial Officer
(PAN: AACPG6412A)
Mumbai: June 25, 2020

Mahendra N. Shah

Company Secretary
(PAN: ABRPS7427F)
Mumbai: June 25, 2020

RATIO OF DIRECTOR REMUNERATION TO EMPLOYEE MEDIAN REMUNERATION

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

i. The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year.

The ratio of the remuneration of MD & CEO to the median remuneration of the employees of IDFC Limited for FY20 was 19x.

ii. The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year

MD & CEO - 9%
CFO - 9%
CS - Joined on 24th May, 2019

iii. The percentage increase in the median remuneration of employees in the financial year

The median pay increase for eligible employees was 9%.

iv. The number of permanent employees on the rolls of the Company.

There were 9 employees of the Company as on March 31, 2020.

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase for Managerial Personnel for the last financial year was 9%. Average percentile increase for employees other than the Managerial Personnel for the last financial year was 9%. The average percentile increase in the remuneration of employees compared to increase in remuneration of Key

Managerial Personnel as per the Act is in line with the compensation benchmark study and the performance of the Company over a period of time. There is no exceptional increase in the Managerial Remuneration.

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

We confirm.

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

To,
The Members,
IDFC Limited

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IDFC Limited. **CIN No- L65191TN1997PLCO37415** (hereinafter called the 'Company') during the financial year from 1st April 2019 to 31st March 2020, ('the year' / 'audit period' / 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conduct/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) our verification of the soft copies of the various records sent over mail as provided by the Company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the financial year ended 31st March 2020 as well as before the issue of this report,
- (ii) Our observations shared during our visits to the Corporate office of the Company,
- (iii) Compliance Certificates confirming Compliance with all laws applicable to the Company given by Key Managerial Personnel / senior managerial Personnel of the Company and taken on record by Audit Committee / Board of Directors, and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2020 the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this Report, along with our letter of even date annexed to this report as Annexure- A.

1. Compliance with specific statutory

provisions

We further report that:

- 1.1 We have examined soft copies of the various records sent over mail as provided by the Company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year according to the applicable provisions/ clauses of:
 - (i) The Companies Act, 2013 and the Rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder except relating to transfer of securities;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The following Regulations Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - d) 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;
 - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (v) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial standards).
- 1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2020 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

- (i) Complied with the applicable provisions/clauses of the Act, Rules, SEBI Regulations and Agreements mentioned under of paragraph 1.1
- (ii) Generally complied with the applicable provisions/ clauses of:
 - (a) The Act and rules mentioned under paragraph 1.1 (i);
 - (b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 (v) above to the extent applicable to Board meetings held during the year, the 22nd Annual General Meeting held on 30th September, 2019 and circular resolutions passed by the Board during the year. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(v)] with regard to the Board meeting held through video conferencing were verified based on the minutes of the meeting provided by the Company.
- 1.3 We are informed that, during the year, the Company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:
 - a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;
 - e) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct

SECRETARIAL AUDIT REPORT (contd.)

For the Financial Year Ended 31st March 2020

[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]

- Investment and External Commercial Borrowings;
- 1.4 Based on the nature of business activities of the Company, the following specific Acts /Laws / Rules / Regulations are applicable to the Company, which has been duly complied with.
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 to be done by the Company
2. Board processes:
We further report that:
- 2.1 The Board of Directors of Company as on 31st March 2020 comprised of:
- (i) One Executive Director,
(ii) Two Non- Executive Non Independent Director, and
(iii) Three Non- Executive Independent Directors, (including woman Independent Director)
- 2.2 The processes relating to the following changes in the composition of the board of Directors during the year were carried out in compliance with the provisions of the Act :
- (i) Resignation of Mr Nirav Shah (PAN: AXJPS8816J) as Company Secretary of the Company with effect from May 23, 2019
- (ii) Appointment of Mr Mahendra shah (PAN: ABRPS7427F) as Company Secretary of the Company with effect from May 24, 2019
- (iii) Appointment of Mr Anshuman Sharma (DIN: 07555065) as nominee director of the Company representing Government of India was approved by board of directors on August 08, 2018 and by members at the AGM held on September 30, 2019
- (iv) Appointment of Ms Ritu Anand (DIN: 05154174) as an Additional Director of the Company was approved by board of directors at the meeting held on August 14, 2019 and was regularised by members at AGM held on September 30, 2019
- (v) Retirement of Mr S S Kohli (DIN:00169907), as an Independent Director of the Company at the AGM held on September 30, 2019
- (vi) Retirement of Ms Marianne Okland (DIN:03581266), as Independent Director of the Company at the AGM held on September 30, 2019
- (vii) Retirement of Mr Chintamani Bhagat (DIN:07282200), as Nominee-Domestic & Foreign Institutional Shareholders at the AGM held on September 30, 2019
- (viii) Appointment of Mr Ajay Sondhi (DIN:01657614) as an Additional Director of the Company was approved by board of directors at the meeting held on November 08, 2019
- 2.3 Adequate notice were given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.4 Notice of Board meetings was sent to directors at least seven days in advance , as required under Section 173(3) of the Act and SS-1.
- 2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the board meetings.
- 2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
(ii) Additional subjects/ information/ presentations and supplementary notes.
- 2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.8 We note from the minutes verified that, at the Board meetings held during the year:
- (i) Majority decisions were carried through; and
(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.
3. Compliance mechanism
There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, Commensurate with the increasing statutory requirements and growth in operations
4. We further report that, during the year:
- Obtained approval from its Members at the Annual General Meeting of the Company held on 30th September, 2019 authorizing issue of NCDs on a private placement basis upto Rs.500 Crores (Rupees Five hundred Crores Only) subject to the overall borrowing limit of Rs.10,000 Crores.

For BNP & Associates
Company Secretaries**B. Narasimhan**

Partner
FCS No. 1303
COP No. 10440
UDIN: F001303B000378053
Firm Reg. No.: P2014MH037400
Peer Review No: 637/2019

Mumbai | June 25, 2020

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

ANNEXURE A - TO THE SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To,
The Members,
IDFC Limited,

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report,

we have also considered compliance related action taken by the Company after 31st March 2020 but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events ,wherever required.

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

For BNP & Associates

Company Secretaries

B. Narasimhan

Partner

FCS No. 1303

COP No. 10440

UDIN: F001303B000378053

Firm Reg. No.: P2014MH037400

Peer Review No: 637/2019

Mumbai | June 25, 2020



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **IDFC Limited [CIN No. L65191TN1997PLC037415]** (hereinafter called the ‘Company’) having its Registered office at Capitale Tower, 4th Floor, 555 Anna Salai, Thiru vi kudiyiruppu, Teynampet, Chennai, Tamil Nadu- 600018 and also the information provided by the Company, its officers and the authorised representatives for the purpose of issuance of the Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 (LODR) , as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR. NO.	NAME OF THE DIRECTOR	DIN	DATE OF APPOINTMENT IN THE COMPANY
1	Mr. Vinod Rai	00041867	30/06/2015
2	Mr. Ajay Sondhi	01657614	08/11/2019
3	Mr. Sunil Kakar	03055561	16/07/2017
4	Ms. Ritu Anand	05154174	16/08/2019
5	Mr. Anshuman Sharma	07555065	08/08/2018
6	Mr. Soumyajit Ghosh	07698741	11/01/2017

*Date of appointment is taken from MCA.

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

For BNP & Associates

Company Secretaries
(FRN P2014MH037400)

B. Narasimhan

Partner
FCS No. 1303
COP No. 10440
UDIN: FO01303B000378341
Peer Review No: 637/2019

Mumbai | June 25, 2020



SECRETARIAL COMPLIANCE REPORT

For the financial year ended March 31, 2020

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

We, BNP & Associates, have examined:

- all the documents and records made available to us and explanation provided by **IDFC Limited (“the listed entity”)**,
- the filings / submissions made by the listed entity to the Stock Exchanges,
- website of the Company,
- any other documents / filings , as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2020 (“**Review Period**”) compliance with respect to provisions of:

- the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

SR. NO	COMPLIANCE REQUIREMENT (REGULATIONS/ CIRCULARS / GUIDELINES INCLUDING SPECIFIC CLAUSE)	DEVIATIONS	OBSERVATIONS/ REMARKS OF THE PRACTICING COMPANY SECRETARY
-NIL-			

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- The following are the details of actions taken against the Company/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

SR. NO.	ACTION TAKEN BY	DETAILS OF VIOLATION	DETAILS OF ACTION TAKEN E.G. FINES, WARNING LETTER, DEBARMENT, ETC.	OBSERVATIONS/ REMARKS OF THE PRACTICING COMPANY SECRETARY, IF ANY.
NIL				

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

SR. NO	OBSERVATIONS OF THE PRACTICING COMPANY SECRETARY IN THE PREVIOUS REPORTS	OBSERVATIONS MADE IN THE SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED.	ACTIONS TAKEN BY THE LISTED ENTITY, IF ANY	COMMENTS OF THE PRACTICING COMPANY SECRETARY ON THE ACTIONS TAKEN BY THE LISTED ENTITY
NIL				

- The listed entity has complied with points 6 (A) and 6 (B) as mentioned in SEBI Circular No. CIR/ CFD/ CMD1/ 114/2019 dated 18th October 2019 and that they have incorporated all the terms and conditions in the respective appointment letter / supplemental letter issued to Statutory Auditors.

For BNP & Associates

Company Secretaries
(FRN P2014MH037400)

B. Narasimhan

Partner
FCS No. 1303
COP No. 10440
UDIN: F001303B000378185
Peer Review No: 637/2019

Mumbai | June 25, 2020

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[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]

1 A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or 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 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules 2014 requires IDFC to mandatorily spend on CSR activities.

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

The object of the CSR activities would seek to –

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

IDFC Foundation, as implementing agency on behalf of IDFC Limited and its group companies, undertook the following CSR activities which fall within the ambit of the activities listed in Schedule VII of the Act for promoting the development of –

- (a) livelihoods
- (b) rural development projects
- (c) promoting healthcare including preventive health care
- (d) education
- (e) community engagement/development
- (f) environmental sustainability
- (g) disaster relief
- (h) research and studies in all or any of the activities mentioned in Schedule VII and
- (i) Others

2 The Composition of the CSR Committee.

Mr. Sunil Kakar - Chairman

Mr. Vinod Rai

Mr. Anshuman Sharma

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

Rs. 53.17 crore

4 Prescribed CSR Expenditure (2% of the amount as in item 3. above) – Rs. 1.06 crore

5 Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year:
Rs. 1.06 Crore*

- b) Amount spent during the year:
Rs. 1.61 Crore* (see Note)
- c) Amount unspent, if any;
NIL*
- d) Manner in which the amount spent during the financial year is detailed below: **Annexure – A**

**In addition to Rs. 0.76 crore contributed to IDFC Foundation, the Company has contributed Rs. 0.30 crore to PM CARES Fund which is recognised as a Fund towards CSR activities as per Schedule VII of the Companies Act, 2013.*

Note: The Company has also contributed additional Rs. 0.55 crore to PM CARES Fund which is eligible to be carried forward as CSR contribution for FY21.

6 In case the Company has failed to spend 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

7 The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For IDFC Limited

Vinod Rai

Director
New Delhi | June 25, 2020

Sunil Kakar

Chairman – CSR Committee
Mumbai | June 25, 2020



CORPORATE SOCIAL RESPONSIBILITY (CSR)

[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]

Rs. IN CRORE

SR. NO	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED (CLAUSE NO. OF SCHEDULE VII TO THE COMPANIES ACT, 2013, AMENDED)	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET)	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB HEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVER HEADS**	CUMULATIVE EXPENDITURE UP TO THE REPORTING PERIOD	AMOUNT SPENT : DIRECT OR THROUGH IMPLEMENTING AGENCY
1	Program on improving access to water and sanitation in Odisha	Cl.(i) Sanitation & Safe Drinking water	Odisha	0.03	0.02	0.52	IMPLEMENTING AGENCY - IDFC FOUNDATION *
TOTAL				0.03	0.02	0.52	
2	Shwethdharma-Cattle Care Program to improve the productivity of milch animals and increase the income of small and marginal dairy farmers	Cl.(ii) livelihood enhancement projects	Madhya Pradesh - Hoshangabad, Dhar, Dewas and Indore		0.14	5.72	
			Rajasthan - Jaipur and Ajmer	0.15			
3	Improving the competitiveness of Indian economy through jobs and livelihood creation.	Cl.(ii) livelihood enhancement projects	All India coverage		0.03	0.40	
TOTAL				0.15	0.17	6.12	
4	Research & studies on various social and economic issues directly impacting welfare of people	Various clauses of Schedule VII	All India coverage	0.58	1.22	21.18	
TOTAL				0.58	1.22	21.18	
Total Direct Expense of Project & Programmes (A)					1.41	27.82	
Overhead Expense (B)					-	2.81	
Total (A) + (B)				0.76	1.41	30.63	

*IDFC Foundation, a wholly owned subsidiary of the IDFC Limited, is an implementing agency of IDFC Limited and its group Companies and engaging Corporate Social Responsibility (CSR) activities as per the CSR policy adopted by IDFC & its group companies in line with the Schedule VII of the act. The Company is primarily focussing on CSR activities as well defined projects or programmes that would include promoting and development of (a) livelihoods, (b) rural development projects, (c) promoting healthcare including preventive health care, (d) education, (e) community engagement/development, (f) environmental sustainability, (g) disaster relief, (h) research and studies in all or any of the activities mentioned in Schedule VII and (i) Others, with the help of various partners.

** The excess spending against budget has been made out of the previous years CSR contribution available with the implementing agency i.e. IDFC Foundation.