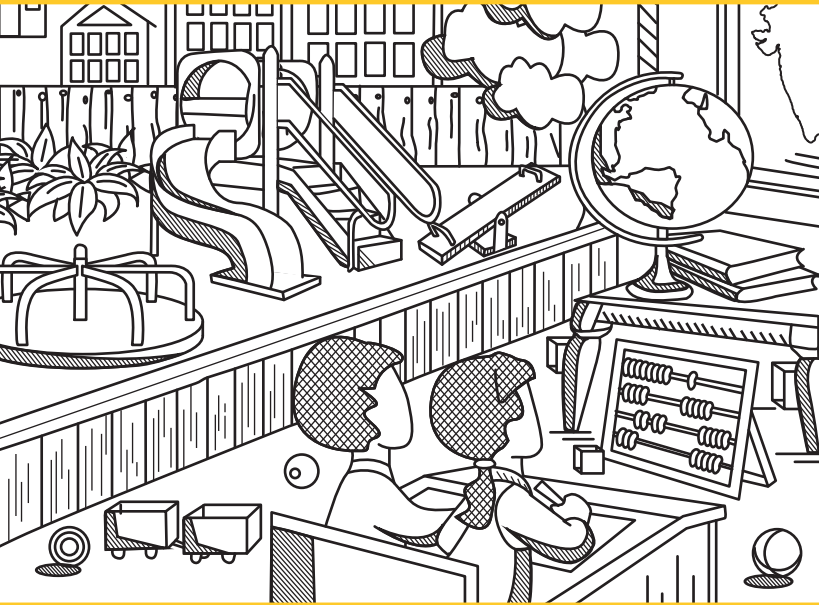


BOARD'S REPORT



Dear Members,

Your Directors have pleasure in
presenting the Second Annual Report
of IDFC Bank together with the audited
financial statements for the financial
year ended March 31, 2016.

DEMERGER

IDFC Limited was granted an In-principle approval by the Reserve Bank of India ('RBI') on April 09, 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' or the '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') required IDFC Limited to transfer its lending and borrowing business ('Financing Undertaking') to IDFC Bank. Accordingly, the Financing Undertaking was demerged into IDFC Bank pursuant to the Scheme of Arrangement amongst IDFC Limited and IDFC Bank and their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 ('Demerger Scheme').

SUMMARY OF FINANCIAL PERFORMANCE

IN ₹ CRORE

Your Bank received final approval from RBI on July 23, 2015 to commence banking business.

The Demerger Scheme became effective and your Bank started its Banking Operations on October 01, 2015.

On October 09, 2015, your Bank issued and allotted to the Shareholders of IDFC Limited; whose names were recorded in the Register of Members of IDFC Limited as on the Record Date (i.e. October 05, 2015), 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 Limited, each equity share being fully paid-up.

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

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

Your Bank got listed on November 06, 2015 on the National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

BUSINESS OVERVIEW AND OUTLOOK

Your Bank's overall business strategy is to replicate IDFC Limited's success as an NBFC, through a differentiated and calibrated foray into the banking sector, with a diversified focus on Commercial and Wholesale Banking, Bharat Banking and Personal and Business

Banking business and an added emphasis on infrastructure financing. Accordingly, your Bank's banking business consists of three distinct strategic business verticals as follows:

Commercial and Wholesale Banking caters to large corporates, mid-markets & SME clients (commercial banking), Government business, financial institutions, treasury, cash management, transaction banking and investment banking.

Bharat Banking caters to semi-urban and rural areas.

Personal and Business Banking caters to the urban retail consumers.

IDFC Bank is the first universal bank in India to adopt a differentiated service strategy for catering to people in rural and semi-urban locations, through intensive use of technology.

Your Bank performed well in FY16 with a Net Profit of ₹ 467 crore. In its first six months of operations, your Bank has successfully and steadily diversified its business mix and added new revenue streams. It has expanded its reach to serve new customer segments both on the retail as well as wholesale side of the business, and is thus well positioned to build a sustainable banking franchise. Total deposits and borrowings of your Bank stood at ₹ 8,219 crore and ₹ 47,914 crore respectively. The gross advances of your Bank were ₹ 49,667 crore and after reducing provisions of ₹ 3,968 crore, your Bank reported net advances of ₹ 45,699 crore. As at March 31, 2016, your Bank's total balance sheet was of ₹ 73,970 crore.

As at March 31, 2016, your Bank's network comprised 60 branches, 45 of which were

FY16*	
DEPOSITS AND BORROWINGS	56,133
ADVANCES	45,699
TOTAL INCOME	4,052
PROFIT BEFORE DEPRECIATION AND TAX	757
NET PROFIT	467
PROFIT BROUGHT FORWARD**	1,194
APPROPRIATIONS	
TOTAL PROFIT AVAILABLE FOR APPROPRIATION	1,661
TRANSFER TO STATUTORY RESERVE	118
TRANSFER TO SPECIAL RESERVE	145
TRANSFER TO CAPITAL RESERVE	83
DIVIDEND	
PROPOSED DIVIDEND	85
TAX INCLUDING SURCHARGE AND EDUCATION CESS ON DIVIDEND	17
BALANCE CARRIED OVER TO BALANCE SHEET	1213

*Includes financial performance of your Bank before commencement of banking operations i.e. for the period April 01, 2015 to September 30, 2015.

**Includes ₹ 1,196 crore brought forward on account of Demerger of Financing Undertaking of IDFC Limited and loss of ₹ 2 crore brought forward from previous year.

Your Bank got listed on November 06, 2015
on the National Stock Exchange of India Limited and
BSE Limited.

Bharat Bank branches in the states of Madhya Pradesh and Karnataka.

Further, details on Financial Summary and Business Review are appearing in the Chapter Management Discussion and Analysis, which forms part of this Annual Report.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.25 per equity share of ₹ 10 each (i.e. 2.5%), entailing a payout of ₹ 102 crore including tax on dividend, for the year ended March 31, 2016.

The Register of Members and Share Transfer Books will remain closed from Thursday, July 21, 2016 to Wednesday, July 27, 2016 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2016.

Dividend will be paid to those Members whose names appear in the Register of Members as on Wednesday, July 20, 2016; in respect of shares held in dematerialized 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').

AWARDS AND RECOGNITIONS

During the year under review, your Bank was recognized in various ways and the significant awards presented to your Bank are listed below:

■ IDFC Bank's Corporate Internet Banking Platform BXP, has been recognized with 'The Innovators 2016 Awards' by the highly respected Global Finance magazine.

■ IDFC Bank has won the 'NetApp Innovation Award 2016' for its innovative concept of Micro ATM, which is set to transform rural banking.

■ IDFC Bank was named as the bank with 'Best HR & Talent Practices' among private sector banks by the Banking Frontiers magazine, at its Inspiring Workplaces 2015 event.

■ IDFC Bank was named the 'India Bond House' for the year 2015, by International Financing Review Asia ('IFR Asia'). The award validates the strength of IDFC Bank's Debt Capital Market ('DCM') business in creating landmark transactions.

CAPITAL RAISING & CAPITAL ADEQUACY RATIO

During FY16, the Board of Directors of the Bank at its meeting held on April 29, 2015 and August 25, 2015 issued 1,250,000,000 and 547,462,668 equity shares respectively to IDFC Financial Holding Company Limited (Holding Company) by way of Rights Issue and subsequently the allotment was made.

Pursuant to the Demerger Scheme, the Allotment & Share Transfer Committee of the Bank at its meeting held on October 09, 2015 allotted 1,594,020,668 equity shares of ₹ 10 each to 492,106 equity shareholders of IDFC Limited whose names were recorded in the Register of Members of IDFC Limited as on the Record Date, i.e. October 05, 2015.

Additionally, the Bank issued and allotted 1,090,000 equity shares of ₹ 10 each of the Bank to eligible employees of the Bank on exercise of Options granted under IDFC Bank Limited Employee Stock Option Scheme 2015 ('IDFC Bank ESOS - 2015').

As on March 31, 2016, the issued, subscribed and paid-up share capital of your

Bank was ₹ 33,926,233,360 comprising of 3,392,623,336 equity shares of ₹ 10 each.

Subsequently in April 2016, the Bank issued and allotted 2,223,674 equity shares of ₹ 10 each of the Bank to eligible employees of the Bank on exercise of Options granted under IDFC Bank ESOS - 2015 which resulted in an increase in share capital and the share capital now stands at ₹ 33,948,470,100 i.e. 3,394,847,010 equity shares of ₹ 10 each.

Your Bank is well capitalised and has a Capital Adequacy Ratio ('CAR') under Basel III as at March 31, 2016 of 22.04% with Tier I being 21.50%.

During the year, your Bank has not issued any instrument eligible under Tier II.

Also, your Bank has not issued any equity shares with differential voting rights during the year.

DEPOSITS

Being a banking company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Companies Act, 2013 are not applicable to your Bank.

LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from disclosure requirements under Section 134(3)(g) of the Companies Act, 2013.

SUBSIDIARY / ASSOCIATE COMPANIES

IDFC Bank does not have any subsidiary company. However, it has two associate

Your Directors are pleased to recommend a dividend of ₹ 0.25 per equity share of ₹ 10 each (i.e. 2.5%) for the year ended March 31, 2016.

companies namely Feedback Infra Private Limited and Millennium City Expressways Private Limited in which it holds 24.61% and 29.98% equity stake respectively.

The Bank's policy for determining material subsidiaries is available on the Bank's website: www.idfcbank.com.

Further, a statement containing salient features of the financial statement of associate companies in Form AOC-I is appended as **Annexure 1**.

EMPLOYEES

IDFC Bank considers gender diversity during its recruitment process. The employee strength of your Bank was 2,405 as of March 31, 2016 out of which 466 are women employees.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 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 Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the Members of the Bank. The said information is available for inspection at the Registered Office and Corporate Office of the Bank during working hours and any Member interested in obtaining such information may write to the Company Secretary & Chief Compliance Officer 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**.

EMPLOYEE STOCK OPTION SCHEME

The Stock Option Scheme enables the Bank to hire the best talent for its senior management.

Pursuant to the Resolution passed by the Members of the Bank at the Extraordinary General Meeting held on December 09, 2014; your Bank had introduced 'IDFC Bank ESOS - 2015' and approved grant of Options not more than 2.5% of the paid up capital of the Bank, from time to time, to enable the eligible employees of the Bank to participate in the future growth and financial success of the Bank.

Pursuant to the Demerger Scheme, on the Effective Date, the employees that were transferred with the Financing Undertaking to IDFC Bank, as well as all remaining employees of IDFC Limited or their respective subsidiaries, who had been granted Options under IDFC Limited Employee Stock Option Scheme 2007, which were not exercised (vested or unvested), as of the Record Date, were granted One (1) stock option by IDFC Bank under IDFC Bank ESOS - 2015 for every One (1) stock option held in IDFC Limited by such employee.

Accordingly, it was necessary to increase the pool of ESOPs that can be granted under IDFC Bank ESOS - 2015 from 2.5% to 7% so as to accommodate grants to IDFC Group employees (pursuant to the Demerger Scheme) and grants to new employees of IDFC Bank. Therefore, the shareholders at the 1st AGM of the Bank approved and increased the pool of ESOPs from 2.5% to 7% of the

paid-up equity share capital of the Bank at any point of time.

However, the Management is now of the view that with large capital base, the reduced ESOP pool of 6% would be sufficient to adequately compensate employees of IDFC Bank and its subsidiary companies (present & future) in next 2-3 years.

Accordingly, at the ensuing AGM to be held on July 27, 2016, the Board of Directors recommends reduction in ESOP pool from 7% to 6% of the paid up share capital of the Bank.

Being a new company, there were no outstanding Options at the beginning of the financial year. During FY16, Options granted pursuant to the Demerger Scheme were 32,210,878 Options. Also, 45,440,500 fresh Options were granted to eligible employees under IDFC Bank ESOS - 2015. Further, 1,910,217 Options lapsed / forfeited and 1,090,000 Options were exercised during the year. Accordingly, 74,651,161 Options remain outstanding as of March 31, 2016. All Options vests in graded manner and are required to be exercised within a specific period. The Bank has used the intrinsic value method to account for the compensation cost of stock to employees of the Bank. 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. IDFC Bank ESOS - 2015 is administered by the Nomination & Remuneration Committee ('NRC') of the Board of the Bank.

During FY16, there has been no material change in IDFC Bank ESOS - 2015 and the said scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time. Disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 and circulars issued thereunder, is disclosed on the Bank's website: www.idfcbank.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

APPOINTMENTS

Based on the recommendation of NRC of the Bank and subject to the approval of the Members at the AGM and RBI, the Board of Directors of the Bank at its meeting held on July 27, 2015, accorded its consent to appoint

Mr. Abhijit Sen (DIN: 00002593), Mr. Ajay Sondhi (DIN: 01657614), Dr. Ashok Gulati (DIN: 07062601), and Ms. Veena Mankar (DIN: 00004168) as Independent Directors ('IDs') of the Bank under the Companies Act, 2013, for a period of three (3) consecutive years w.e.f July 27, 2015 and also consented to the appointment of Mr. Vinod Rai (DIN: 01119922) as Nominee Director representing IDFC Limited / IDFC Financial Holding Company Limited.

IDFC Bank commenced its banking operations on October 01, 2015. Accordingly, Dr. Rajiv B. Lall stepped down as the Executive Chairman of IDFC Limited w.e.f. September 30, 2015 and took the position of Founder Managing Director & CEO of IDFC Bank w.e.f October 01, 2015. Dr. Rajiv B. Lall shall hold office of Founder Managing Director & CEO of the Bank for a period of three (3) years w.e.f October 01, 2015.

The aforesaid appointments have been approved by the RBI, Board of Directors and the Shareholders of the Bank. Based on the recommendation of the NRC of the Bank and subject to the approval of the Members at the AGM and RBI, the Board appointed Mr. Rajan Anandan (DIN: 02395272) as an Additional Director in the category of Independent Director of IDFC Bank w.e.f. December 01, 2015. It is proposed to appoint him for a period of three (3) consecutive years at the ensuing AGM to hold office from December 01, 2015 to November 30, 2018.

None of the Directors of the Bank are disqualified to be appointed as Directors in accordance with Section 164 of the Companies Act, 2013.

Further, the Bank has received a declaration from all the aforesaid IDs, at the time of appointment and also before the first meeting of the Board of Directors held in FY16, 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 Independent Director and that they shall abide by the 'Code for Independent Directors' as per Schedule IV of the Companies Act, 2013.

In terms of Section 160 of the Companies Act, 2013, your Bank has received notice in writing from a Member along with requisite deposit of ₹ 1,00,000 proposing candidature of Mr. Rajan Anandan for appointment as an

Independent Director. The Board recommends the appointment of Mr. Rajan Anandan to the shareholders at the ensuing AGM.

Brief Profiles and other details of all the aforesaid Directors are set out in the Corporate Governance Report which forms part of this Annual Report.

CESSATION

During the year, Mr. Gautam Kaji (DIN: 02333127), Independent Director of the Bank resigned from the Board with effect from September 30, 2015 for complying with RBI regulations.

The Board placed on record its appreciation for the valuable services rendered by him during his tenure as a Director of the Bank.

RETIREMENT BY ROTATION

In accordance with the Articles of Association of the Bank and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vinod Rai (DIN: 01119922) would retire by rotation at the ensuing AGM and being eligible, offers himself for reappointment.

KEY MANAGERIAL PERSONNEL

The Board identified the following officials as Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013:

Dr. Rajiv B. Lall

Founder Managing Director & CEO

Mr. Sunil Kakar

Chief Financial Officer

Mr. Mahendra N. Shah

Company Secretary &
Chief Compliance Officer

FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Bank's procedures and practices.

Periodic presentations are made at the Board meetings, on business and performance of the Bank, global business environment, business strategy and associated risks, roles, rights and responsibilities of IDs etc. Detailed presentations on the Bank's business were

made at the meetings of the Directors held during the year.

The details of the said programmes are available on the Bank's website: www.idfcbank.com.

BOARD EVALUATION

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Companies Act, 2013, 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.

BOARD MEETINGS

During the period under review, eight (8) board meetings were held; details of which are given in the Corporate Governance Report which forms part of this Annual Report.

BOARD COMMITTEES

The Board has constituted various Board Committees to delegate various matters that require greater and more focused attention. Brief overview of some of the Board-level Committees is furnished below. The details of the constitution, terms of reference and meetings of all the Board-level Committees is given in the Corporate Governance Report which forms part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee of the Bank as constituted under Section 177 of the Companies Act, 2013 has the following members:

Mr. Abhijit Sen

Chairman | DIN: 00002593

Mr. Ajay Sondhi

Member | DIN: 01657614

Ms. Veena Mankar

Member | DIN: 00004168

Mr. Vikram Limaye

Member | DIN: 00488534

The Audit Committee of the Bank met two (2) times during FY16 i.e. on October 26, 2015 and January 27, 2016. All the recommendations made by the Audit Committee during the year were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY

Being the 1st year of operations, the provision relating to contribution towards CSR as per Section 135 of the Companies Act, 2013 was not applicable to IDFC Bank for FY16.

Pursuant to the Demerger Scheme, the Financing Undertaking of IDFC Limited was transferred to IDFC Bank w.e.f. October 01, 2015 (Effective date of the Demerger Scheme).

Accordingly, the CSR spend from the Financing Undertaking was carried out by IDFC Limited (Ultimate Holding Company of IDFC Bank) through IDFC Foundation, a Section 8 company under the Companies Act, 2013.

The Board of Directors at its meeting held on August 25, 2015 constituted the CSR Committee of the Bank comprising of the following:

Dr. Rajiv B. Lall
Chairman | DIN: 00131782

Mr. Anil Bajjal
Member | DIN: 01608892

Dr. Ashok Gulati
Member | DIN: 07062601

The Board at its meeting held on April 26, 2016 approved the CSR Policy of the Bank. The CSR Policy is available on the Bank's website: www.idfcbank.com. The CSR initiatives undertaken by IDFC Limited are given in **Annexure 3**.

NOMINATION AND REMUNERATION COMMITTEE / REMUNERATION POLICY

In compliance with the RBI New Banking Guidelines and the directions and circulars issued by the RBI, from time to time and in accordance with Section 178 of the Companies Act, 2013 and the Rules made thereunder; the Board of Directors at its meeting held on December 09, 2014 constituted the Nomination and Remuneration Committee of the Bank.

As on March 31, 2016, the Committee consisted of:

Mr. Ajay Sondhi
Chairman | DIN: 01657614

Mr. Anil Bajjal
Member | DIN: 01608892

Ms. Veena Mankar
Member | DIN: 00004168

Mr. Vinod Rai
Member | DIN: 01119922

The Bank has a process in place for identification of independence, qualifications and positive attributes of Directors. The Board approved the Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees which is formulated in line with the applicable regulations. The aforesaid Remuneration Policy is available on the Bank's website: www.idfcbank.com.

NRC recommends the remuneration of all the Directors to the Board for its approval.

The details of the remuneration to Directors and related disclosures have been included in the Report on Corporate Governance, which is forming part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Bank has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements. These controls and processes are driven through various policies, procedures and certification. The controls and processes shall be reviewed periodically. The Bank has a mechanism of testing the controls and processes at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad ('DHS') (Registration No - 117365W), will retire as the Statutory Auditors of the Bank at the ensuing AGM. In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, the Board of Directors has recommended the appointment of DHS as Statutory Auditors of the Bank for a period of One (1) year, subject to the approval of the RBI, to hold office from the conclusion of the ensuing 2nd AGM till the conclusion of 3rd AGM, on remuneration to be decided by the Board or Committee thereof.

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 Board recommends the appointment of DHS as the Statutory Auditors of the Bank at the ensuing AGM.

The Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, had 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.

AUDITORS' REPORT

There were no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors in their report.

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 Bank had appointed Bhandari & Associates, Company Secretaries to undertake the Secretarial Audit of the Bank for FY16.

The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit.

The Secretarial Audit Report is appended as an **Annexure 4** to this report.

There were no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors in their report.

CONCURRENT AUDIT

Your Bank has a regular process of getting concurrent audit done for the treasury operations. The concurrent audit is done by BSR & Co. LLP, Chartered Accountants. The concurrent audit reports are placed before the Audit Committee for review.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS OR MANAGEMENT

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013 or by the Management.

RISK MANAGEMENT POLICY

Your Bank operates within an effective risk management framework to actively manage all the material risks faced by the Bank, in a manner consistent with the Bank's risk appetite. Your Bank aims to establish itself as an industry leader in the management of risks and strive to reach the efficient frontier of risk and return for the Bank and its shareholders. The Board has ultimate responsibility for the Bank's risk management framework. It is responsible for approving the Bank's risk appetite, risk tolerance and related strategies and policies. To ensure the Bank has a sound system of risk management and internal controls in place, the Board has established the Risk Management Committee of the Board. The Risk Management Committee of the Board reviews risk management policies of the Bank pertaining to credit, market, liquidity and operational risks. The Committee also reviews the Risk Appetite & Enterprise Risk Management frameworks, Internal Capital Adequacy Assessment Process ('ICAAP') and stress testing. Your Bank has in place a Risk Management Policy approved by the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Bank has implemented a Whistle Blower Policy pursuant to which Whistle Blowers can raise concerns relating to reportable matters (as defined in the policy) such as breach of IDFC Bank Code of Conduct, employee misconduct, fraud, illegal unethical imprudent behaviour, corruption, safety and misappropriation or misuse of Bank funds / assets, etc. Further, the mechanism adopted by the Bank encourages the Whistle Blower

to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower to those who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The Audit Committee reviews the functioning of the Vigil mechanism from time to time. None of the Whistle Blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy is available on the Bank's website: www.idfcbank.com. The Whistle Blower Policy has been periodically communicated to the employees and also posted on the Bank's intranet.

In addition to the above, IDFC Bank has formulated Vigilance Policy for effectively managing the risks faced by the Bank on account of corruption, malpractices and frauds. In accordance with RBI circular, Dr. Rajeev Uberoi is the Chief Vigilance Officer of IDFC Bank.

ANTI SEXUAL HARASSMENT POLICY

Your Bank has in place a policy on Anti Sexual Harassment, which reflects the Bank's zero-tolerance to any form of prejudice, gender bias and sexual harassment at the workplace. Your Bank undertakes ongoing trainings to create awareness on this policy. There were no instances of Sexual Harassment that were reported during FY16.

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

The Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, had 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.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE BANK

There are no material changes and commitments, affecting the financial position of the Bank which have occurred between the end of the financial year of the Bank i.e. March 31, 2016 and the date of this Board's Report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Bank will update the details of unclaimed / unpaid dividend / interest on the Bank's website: www.idfcbank.com and on MCA website: www.mca.gov.in, from time to time.

RELATED PARTY TRANSACTION

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. IDFC Group including the Bank has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal banking transactions which cannot be foreseen and accordingly the required disclosures are made to the

Committee on quarterly basis in terms of the approval of the Committee.

Pursuant to the provisions of Companies Act, 2013 and Rules made there under & Listing Regulations and in the back-drop of the Bank'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 27, 2016. The said policy is also uploaded on the Bank's website: www.idfcbank.com. Since all related party transactions entered into by the Bank were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Bank.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to your Bank.

However, your Bank has been taking steps at all times for conservation of energy. The initiatives taken for conservation of energy has been mentioned in the Business Responsibility Report, which is hosted on the Bank's website: www.idfcbank.com.

Also, your Bank has been increasingly using information technology in its operations, for more details please refer the section on Information Technology under Management Discussion & Analysis, which forms part of this Annual Report.

SPECIAL BUSINESS

The Board of Directors recommends the following items under special business for

approval of the Shareholders at the ensuing AGM:

1. Appointment of Mr. Rajan Anandan as an Independent Director
2. Offer and Issue of Debt Securities on Private Placement Basis
3. Reduction in ESOP pool from 7% to 6% of the paid up share capital of the Bank and Ratification of IDFC Bank Limited Employee Stock Option Scheme 2015 ('IDFC BANK ESOS - 2015' or the 'Scheme')
4. Ratification of IDFC Bank Limited Employee Stock Option Scheme 2015 ('IDFC Bank ESOS - 2015' or the 'Scheme') and grant of Options to the Eligible Employees / Directors of the Subsidiary Company(ies) of the Bank under the Scheme
5. Payment of Commission to Non-Executive Directors
6. Approval of remuneration payable to Dr. Rajiv B. Lall, Founder Managing Director & CEO of the Bank.

GREEN INITIATIVE

In accordance with the 'Green Initiative', the Bank will be sending the Annual Report / Notice of AGM in electronic mode to those Shareholders whose e-mail Ids are registered with the Bank and/or the Depository Participants.

Your Directors are thankful to the Shareholders for their participation in this Green Initiative.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as required

by Regulation 34(2)(e) of the Listing Regulations forms part of this Annual Report.

CORPORATE GOVERNANCE

The Bank is committed to achieve the highest standards of Corporate Governance. A separate section on Corporate Governance standards followed by your Bank and the relevant disclosures, as stipulated under Listing Regulations, Companies Act, 2013 and rules made thereunder forms part of this Annual Report.

A Certificate from the Statutory Auditors of the Bank, Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117365W), conforming compliance to the conditions of Corporate Governance as stipulated under Listing Regulations, forms part of this Annual Report.

CEO & CFO CERTIFICATION

Certificate issued by Dr. Rajiv B. Lall, Founder Managing Director & CEO and Mr. Sunil Kakar, Chief Financial Officer of the Bank, in terms of Regulation 17(8) of Listing Regulations, for the year under review was placed before the Board of Directors and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report, in terms of Regulation 34(2)(f) of Listing Regulations, describing the initiatives taken by IDFC Bank from an environmental, social and governance perspective is hosted on the Bank's website: www.idfcbank.com. Any Member interested in obtaining a physical copy of the same may write to the Company Secretary of

the Bank by sending an e-mail on mahendra.shah@idfcbank.com.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return (Form MGT-9) as at March 31, 2016 forms part of this report and is appended as **Annexure 6**.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- a.** in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b.** the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit of the Bank for that period;
- c.** the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d.** the Directors had prepared the annual accounts on a going concern basis;
- e.** the Directors had laid down internal financial controls to be followed by the Bank

and that such internal financial controls are adequate and were operating effectively; and **f.** the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep and sincere gratitude to the customers for their trust and confidence in the Bank. We would like to thank all our Shareholders, Bondholders, Banks and Financial Institutions for their co-operation and assistance during the year under review. Your Directors would like to place on record their appreciation for the valuable guidance and support received from IDFC Group, Government of India, State Governments, various Ministries, Hon'ble Madras High Court, RBI, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and other Government and Regulatory agencies. Your Directors would also like to thank the employees for the hard work put in by them for creating a robust foundation of the Bank.

For and on behalf of the Board of Directors

Anil Bajjal

Independent Non-Executive Chairman

New Delhi | Date: June 25, 2016

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules 2014]

A SUBSIDIARIES

(₹ IN CRORE)

SR NO.	NAME OF SUBSIDIARY COMPANY	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENTS	TURNOVER	PROFIT BEFORE TAX	PROVISION FOR TAX	PROFIT AFTER TAX	PROPOSED DIVIDEND (%)	% OF SHAREHOLDING
--------	----------------------------	---------------	----------------------	--------------	-------------------	-------------	----------	-------------------	-------------------	------------------	-----------------------	-------------------

Not Applicable, since IDFC Bank does not have any Subsidiary Company.

- Names of subsidiaries which are yet to commence operations: Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

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	FEEDBACK INFRA PRIVATE LIMITED	MILLENNIUM CITY EXPRESSWAYS PRIVATE LIMITED
1.	Latest audited Balance Sheet Date	March 31, 2016	March 31, 2016
2.	Shares of Associate held by the Bank on the year end		
	Number of Equity Shares	4,026,689	194,000,000
	Amount of Investment in Associate Company (₹ in crore)	20.09	194.00
	Extent of Holding (%)	24.61%	29.98%
3.	Description of how there is significant influence	Extent of equity holding in the associate company exceeds 20%	
4.	Reason why the Associate is not consolidated	The Bank does not have any subsidiaries and hence not required to prepare consolidated financial statements. Accordingly, consolidation of investments in associates is not applicable.	
5.	Networth attributable to Bank's Shareholding as per latest audited Balance Sheet (₹ in crore)	19.58	118.29
6.	Profit / (Loss) attributable to Bank's Shareholding for the year ended March 31, 2016 (₹ in crore)		
	I. Considered in Consolidation	-	-
	II. Not Considered in Consolidation	1.45	(24.40)

Notes:

- Names of associates or joint ventures which are yet to commence operations: Not Applicable.
- Names of associates or joint ventures which have been liquidated or sold during the year: Not Applicable.
- The financials of Millennium City Expressways Private Limited are unaudited.
- Investment in associates were acquired by the Bank as part of demerger of Financing Undertaking of IDFC Limited i.e. w.e.f. October 01, 2015.

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

Anil Bajjal
Chairman

Rajiv B. Lall
Founder Managing Director & CEO

Sunil Kakar
Chief Financial Officer

Abhijit Sen
Director

Vikram Limaye
Director

Mahendra N. Shah
Company Secretary &
Chief Compliance Officer

April 26, 2016

RATIO OF DIRECTOR REMUNERATION TO EMPLOYEE MEDIAN REMUNERATION

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

SR. NO.	REQUIREMENT	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: 64 X
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	IDFC Bank was launched on October 01, 2015. There has been no increase in the remuneration of any Director / Key Managerial Personnel till March 31, 2016.
III	The percentage increase in the median remuneration of Employees in the financial year	IDFC Bank was launched on October 01, 2015. There has been no increase in the remuneration of any Employee till March 31, 2016.
IV	The number of permanent Employees on the rolls of the Bank	2,405 as on March 31, 2016.
V	The explanation on the relationship between average increase in remuneration and Bank performance	Not Applicable
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Bank	Being a new bank, the remuneration for all Key Managerial Personnel is based on their last drawn compensation in their previous organisation and is in line with what similar roles are paid in other Indian Private Sector Banks.
VII	Variations in the market capitalization of the Bank, 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 Bank in comparison to the rate at which the Bank came out with the last public offer.	IDFC Bank got listed on November 06, 2015. The Market Capitalization of IDFC Bank as at March 31, 2016 was ₹ 16,352.44 crore. The earning per share of the Bank was ₹ 2.34 as at March 31, 2016. The stock price of the Bank as at March 31, 2016 on the National Stock Exchange of India Limited was ₹ 48.20 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	Not Applicable. There was no increase in remuneration for Bank Employees during FY16.
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Bank	Not Applicable
X	The key parameters for any variable component of remuneration availed by the Directors	The variable component depends on the performance assessment done by the Nomination & Remuneration Committee of the Bank against key performance parameters set at the beginning of the year and market benchmarks for similar roles.
XI	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	Nil
XII	Affirmation that the remuneration is as per the remuneration policy of the Bank	We confirm.

CORPORATE SOCIAL RESPONSIBILITY

Note: Being the 1st year of operations, the provision relating to contribution towards CSR as per Section 135 of the Companies Act, 2013 was not applicable to IDFC Bank for FY16. Pursuant to the Demerger Scheme, the lending and borrowing business (Financing Undertaking) of IDFC Limited was transferred to IDFC Bank Limited w.e.f. October 01, 2015 (Effective date of the Demerger Scheme). Accordingly, the CSR spend from the Financing Undertaking was carried out by IDFC Limited (Ultimate Holding Company of IDFC Bank) through IDFC Foundation, a Section 8 company under the Companies Act, 2013. The below statement shows the amount spent by IDFC Limited on CSR activities during FY16.

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

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

(₹ IN CRORE)

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

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

1 A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMMES.

The CSR policy is to ensure that CSR activities are not performed in silos and that it be skilfully and inextricably woven into the fabric of the IDFC Group's business strategy for overall value creation for all stakeholders. IDFC Group 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 Limited to mandatorily spend on CSR.

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

The object of the CSR activities would seek to:

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

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

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

2 AVERAGE NET PROFIT OF IDFC LIMITED FOR LAST THREE FINANCIAL YEARS

₹ 2,339.65 CRORE

3 PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE)

₹ 46.79 CRORE

₹ 23.40 CRORE FOR HALF YEAR

4 TOTAL AMOUNT TO BE SPENT FOR THE FINANCIAL YEAR BY IDFC LIMITED

₹ 23.40 CRORE

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR BY IDFC LIMITED

₹ 23.40 CRORE

AMOUNT UNSPENT, IF ANY;

NIL

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
IDFC BANK LIMITED
CIN: U65110TN2014PLC097792

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IDFC BANK LIMITED** (hereinafter called "the Bank") having CIN: **U65110TN2014PLC097792**. 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 Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Bank 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 Bank for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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 and External Commercial Borrowings. The Bank does not have any Overseas Direct Investment during the financial year.
- 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 and Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009[#]; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998[#];
 - i. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
 - j. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994;
 - k. The Securities and Exchange Board of India (Stock Brokers & Sub-Brokers) Regulations, 1992.

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

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

- vi. The Banking Regulation Act, 1949.

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.;
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s) under erstwhile Listing Agreement and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations, 2015").

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

We further report that the Board of Directors of the Bank 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. As confirmed by Management the meeting of Independent Directors is schedule to be held on April 26, 2016.

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

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

We further report that during the audit period, the Company has undertaken following events / actions—

- I. The Hon'ble High Court of Judicature at Madras, vide its Order dated June 25, 2015, had sanctioned the Scheme of Arrangement among IDFC Limited and IDFC Bank Limited and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956

(‘Demerger Scheme’). On July 23, 2015, Reserve Bank of India has granted a final banking license to the Bank. The Shareholders of IDFC Limited as on the record date i.e. October 05, 2015 have received 1,594,020,668 Equity Shares of ₹10 each of IDFC Bank Limited pursuant to the Demerger Scheme as approved by the Hon’ble Madras High Court. The Equity Shares of the Bank got listed on Stock Exchanges on November 06, 2015.

II. Member’s approval has been obtained at the Annual General Meeting held on September 29, 2015 pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow from time to time such sum(s) of money(ies) such that the money to be borrowed together with the money(ies) already borrowed by the Bank would exceed the aggregate of the paid-up share capital of the Bank and its free reserves, provided that the total

amount up to which money(ies) may be borrowed shall not exceed the sum of ₹1,50,000 crore, outstanding at any point of time.

III. Member’s approval has been obtained at the Annual General Meeting held on September 29, 2015 for borrowing/raising funds, from time to time by issue of debt instruments including but not limited to bonds and non-convertible debentures upto ₹150,000 crore, outstanding at any point of time, on private placement basis.

IV. Member’s approval has been obtained at the Annual General Meeting held on September 29, 2015 to the Board of Directors of the Bank to create, issue, offer and allot, such number of equity shares not exceeding in aggregate 7% (seven) percent of the issued equity shares of the Bank, from time to time, under IDFC Bank ESOS - 2015, or any modifications thereof.

V. Board of Directors of the Bank at its meeting held on April 29, 2015 and August 25, 2015 has issued 1,250,000,000 and 547,462,668 Equity Shares respectively to existing shareholders by way of Rights Issue and subsequently the allotment was made.

**For Bhandari & Associates
Company Secretaries**

**S. N. Bhandari
Partner**

FCS No: 761; C P No. : 366
Mumbai | April 23, 2016

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 Members,
IDFC BANK LIMITED
CIN: U65110TN2014PLC097792

Our Secretarial Audit Report for the Financial Year ended on March 31, 2016 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification

was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Our examination was limited to the verification of procedures on test basis.

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

**For Bhandari & Associates
Company Secretaries**

**S.N.Bhandari
Partner**

FCS No: 761; CP. No: 366

Mumbai | April 23, 2016.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[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	U65110TN2014PLC097792
2.	Registration Date	October 21, 2014
3.	Name of the Company	IDFC BANK LIMITED
4.	Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
5.	Address of the Registered office and contact details	KRM Tower, 8 th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031, Tamil Nadu, India. Tel: +91 44 4564 4000, Fax: +91 44 4564 4022
6.	Whether listed company Yes / No	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited (Unit: IDFC Bank Limited) Karvy Selenium Tower B, Plot 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad-500 032, Telangana, India. Contact Person: M R V Subrahmanyam Tel: +91 40 6716 2222 Fax: +91 40 2342 0814 Toll Free: 1800 345 4001 E-mail: einward.ris@karvy.com Website: www.karvycomputershare.com

02 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE BANK
1.	Banking Services	64191	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 Financial Holding Company Limited KRM Tower, 8 th Floor, No.1 Harrington Road, Chetpet, Chennai-600 031, Tamil Nadu, India	U65900TN2014PLC097942	Holding Company	52.98	Section 2(46)
2.	IDFC Limited KRM Tower, 8 th Floor, No.1 Harrington Road, Chetpet, Chennai-600 031, Tamil Nadu, India	L65191TN1997PLC037415	Ultimate Holding Company	Indirectly 52.98	Section 2(46)
3.	Feedback Infra Private Limited 311, 3 rd Floor, Vardhaman Plaza Pocket 7, Plot No. 6, Sector 12, Dwarka New Delhi - 110078, India	U74899DL1990PTC040630	Associate Company	24.61	Section 2(6)
4.	Millennium City Expressways Private Limited IGI Toll Plaza Building Opp Radisson Hotel, Mahipalpur New Delhi - 110037, India	U45204DL2014PTC266306	Associate Company	29.98	Section 2(6)

4A SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AS AT MARCH 31, 2015				NO. OF SHARES HELD AS AT MARCH 31, 2016				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
A. PROMOTERS									
1. Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt (s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	50,000	50,000	100	1,797,512,608	60	1,797,512,668	52.98	(47.02)
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total A. 1.	-	50,000	50,000	100	1,797,512,608	60	1,797,512,668	52.98	(47.02)
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	-	50,000	50,000	100	1,797,512,608	60	1,797,512,668	52.98	(47.02)
A. = A. 1.+A. 2.									
B. PUBLIC SHAREHOLDING									
1. Institutions									
a. Mutual Funds	-	-	-	-	57,896,594	-	57,896,594	1.71	1.71
b. Banks/FI	-	-	-	-	8,488,245	-	8,488,245	0.25	0.25
c. Central Govt	-	-	-	-	261,400,000	-	261,400,000	7.70	7.70
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	48,522,313	-	48,522,313	1.43	1.43
g. FPIs	-	-	-	-	768,151,580	-	768,151,580	22.64	22.64
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Foreign Corporate Bodies	-	-	-	-	5,151,271	-	5,151,271	0.15	0.15
Bodies Corporate	-	-	-	-	122,216,102	-	122,216,102	3.60	3.60
Overseas Corporate Bodies	-	-	-	-	2,000	-	2,000	-	-
Sub-total B. 1.	-	-	-	-	1,271,828,105	-	1,271,828,105	37.49	37.49

SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) (CONTINUED)

CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AS AT MARCH 31, 2015				NO. OF SHARES HELD AS AT MARCH 31, 2016				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
2. Non-Institutions									
a. Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-					
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	183,521,102	54,431	183,575,533	5.41	5.41
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	113,261,261	-	113,261,261	3.34	3.34
c. Others (specify)	-	-	-	-	-	-	-	-	-
Clearing members	-	-	-	-	1,624,284	-	1,624,284	0.05	0.05
Non Resident Indians	-	-	-	-	13,688,929	1,527	13,690,456	0.40	0.40
Trusts	-	-	-	-	9,869,586	-	9,869,586	0.29	0.29
NBFC registered with RBI	-	-	-	-	1,261,443	-	1,261,443	0.04	0.04
Sub-total B. 2.	-	-	-	-	323,226,605	55,958	323,282,563	9.53	9.53
Total Public Shareholding B. = B.1. + B.2.	-	-	-	-	1,595,054,710	55,958	1,595,110,668	47.02	47.02
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100	3,392,567,318	56,018	3,392,623,336	100.00	-

4B SHAREHOLDING OF PROMOTERS

SHAREHOLDING AS AT MARCH 31, 2015

SR. NO.	SHAREHOLDER'S NAME	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES
1.	IDFC Financial Holding Company Limited	49,940	99.88	-
2.	IDFC Financial Holding Company Limited jointly with Mr. Mahendra N. Shah	10	0.02	-
3.	IDFC Financial Holding Company Limited jointly with Mr. Sunil Kakar	10	0.02	-
4.	IDFC Financial Holding Company Limited jointly with Mr. Vikram Limaye	10	0.02	-
5.	IDFC Financial Holding Company Limited jointly with Dr. Rajeev Uberoi	10	0.02	-
6.	IDFC Financial Holding Company Limited jointly with Mr. Bipin Gemani	10	0.02	-
7.	IDFC Financial Holding Company Limited jointly with Mr. Ketan Kulkarni	10	0.02	-
Total		50,000	100	-

4C CHANGE IN PROMOTERS' SHAREHOLDING

SR. NO.	NAME OF THE SHAREHOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR AS ON 01.04.2015		DATE	REASON	INCREASE/DECREASE IN SHAREHOLDING		CUMULATIVE SHAREHOLDING AT THE END OF THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE BANK			NO. OF SHARES	% OF TOTAL SHARES OF THE BANK	NO. OF SHARES	% OF TOTAL SHARES OF THE BANK
1.	IDFC Financial Holding Company Limited ('IDFC FHCL')	50,000	100	-	-	-	-	50,000	100
-	-	-	-	07.07.2015	Rights issue to IDFC FHCL	1,250,000,000	100	1,250,050,000	100
-	-	-	-	30.09.2015	Rights issue to IDFC FHCL	547,462,668	100	1,797,512,668	100
-	-	-	-	09.10.2015	Shares issued to Shareholders of IDFC Limited pursuant to Demerger Scheme	-	-	1,797,512,668	52.98

4D SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS

(Other than Directors, Promoters and Holders of GDRS and ADRS)

SR. NO.	NAME OF THE SHAREHOLDER*	SHAREHOLDING AT THE BEGINNING OF THE YEAR 01.04.2015		CUMULATIVE SHAREHOLDING AT THE END OF THE YEAR 31.03.2016**	
		NO. OF SHARES	% OF TOTAL SHARES OF THE BANK	NO. OF SHARES	% OF TOTAL SHARES OF THE BANK
1.	President of India	-	-	261,400,000	7.70
2.	Sipadan Investments (Mauritius) Limited	-	-	151,145,989	4.46
3.	National Westminster Bank PLC as Depository of First State Asia Pacific Leaders Fund a Sub Fund of First State Investments ICVC	-	-	88,125,165	2.60
4.	CLSA Global Markets Pte. Limited	-	-	61,289,435	1.81
5.	Orbis Sicav-Asia Ex-Japan Equity Fund	-	-	42,215,857	1.24
6.	Actis Hawk Limited	-	-	37,091,569	1.09
7.	HSBC Pooled Investment Fund A/C HSBC Pooled Invest	-	-	29,431,469	0.87
8.	First State Investments (Hongkong) Limited A/c First State Asian Equity Plus Fund	-	-	21,771,232	0.64
9.	Orbis Global Equity Fund Limited	-	-	17,919,198	0.53
10.	Wellington Trust Company National Association MUL	-	-	13,506,948	0.40

* Top Ten Shareholders of the Bank as on March 31, 2016 have been considered on the basis of Folio No. / DP ID / Client ID for the above disclosure.

** The shares of the Bank are listed on NSE & BSE and hence are being traded on daily basis, the date wise increase / decrease in shareholding is not indicated.

SHARE HOLDING AS ON MARCH 31, 2016

% CHANGE IN
SHAREHOLDING DURING
THE YEAR

SHAREHOLDER'S NAME	NO. SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	% CHANGE IN SHAREHOLDING DURING THE YEAR
IDFC Financial Holding Company Limited	1,797,512,668	52.98	-	(47.02)
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	-	-	-	0.00
	1,797,512,668	52.98	-	(47.02)

4E SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SR. NO.	NAME OF THE SHAREHOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR 01.04.2015		CHANGES IN THE SHAREHOLDING DURING THE YEAR (ON ACCOUNT OF DEMERGER)		SHAREHOLDING AT THE END OF THE YEAR 31.03.2016	
		NO. OF SHARES	% OF TOTAL SHARES OF THE BANK	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE BANK
1	Dr. Rajiv B. Lall, Founder MD & CEO	-	-	1,198,984	-	1,198,984	0.04
2	Mr. Vikram Limaye, Director	-	-	2,043,728	-	2,043,728	0.06
3	Mr. Sunil Kakar, CFO	-	-	-	-	-	-
4	Mr. Mahendra N. Shah, CS	-	-	210,000	-	210,000	0.01

05 INDEBTEDNESS

(₹ IN CRORE)

(Indebtedness of the Bank including interest outstanding / accrued but not due for payment)

	SECURED LOANS EXCLUDING DEPOSITS*	UNSECURED LOANS	DEPOSITS**	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i)	Principal Amount	-	-	-
ii)	Interest due but not paid	-	-	-
iii)	Interest accrued but not due	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
	Additions on demerger of Financing Undertaking of IDFC Limited	-	56,720.74	-
	Addition	874,867.36	68,765.69	-
	Reduction	874,857.42	77,582.54	-
	Net Change	9.94	47,903.89	-
Indebtedness at the end of the financial year				
i)	Principal Amount	9.94	47,903.89	-
ii)	Interest due but not paid	-	-	-
iii)	Interest accrued but not due	0.05	2,696.38	-
	Total (i+ii+iii)	9.99	50,600.27	-

* Includes Borrowings under Collateralised Borrowing and Lending Obligations, market repurchase transactions with banks and financial institutions.

** Deposits accepted by the Bank are in normal course of banking business and an operating activity of the Bank and hence not included in the Indebtedness Disclosure.

06 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

6A REMUNERATION TO FOUNDER MANAGING DIRECTOR & CEO

(IN ₹)

SR. NO.	PARTICULARS OF REMUNERATION	MD / WTD / MANAGER	TOTAL AMOUNT
FOUNDER MANAGING DIRECTOR & CEO			
(FROM OCTOBER 01, 2015 TO MARCH 31, 2016)			
1.	Gross salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	17,046,058	17,046,058
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	1,606,597	1,606,597
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
(a)	as % of profit	-	-
(b)	others, specify	-	-
5.	Others - Contribution to Provident and Other Funds	576,000	576,000
	Total (A)	19,228,655	19,228,655
	Ceiling as per the Act		Refer Notes

- Note: 1. For the period from April 01, 2015 to September 30, 2015, Dr. Rajiv B. Lall was paid remuneration from IDFC Limited. The remuneration paid to him from IDFC Limited was within the limits prescribed under the Companies Act, 2013.
2. Dr. Rajiv B. Lall was appointed as the Founder Managing Director & CEO of IDFC Bank w.e.f. October 01, 2015. He was paid an amount of ₹ 1.92 crore (approved by RBI) for the period from October 01, 2015 to March 31, 2016 from IDFC Bank. For the full year FY16, performance bonus of ₹ 2 crore has been awarded to Dr. Lall, subject to approval from the RBI. The performance bonus for FY15 of ₹ 2.5 crore was paid to Dr. Lall in May 2015 by IDFC Limited.
3. In FY16, Dr. Lall's combined remuneration on accrual basis from IDFC Limited and IDFC Bank was ₹ 5.70 crore (Previous Year - ₹ 5.40 crore)
4. The remuneration paid / payable to him from IDFC Bank is within the limits prescribed under the Companies Act, 2013.

6B REMUNERATION TO OTHER DIRECTORS

(IN ₹)

SR. NO.	PARTICULARS OF REMUNERATION	NAME OF THE DIRECTORS									TOTAL AMOUNT
		Mr. Anil Bajjal	Dr. Ashok Gulati	Mr. Abhijit Sen	Ms. Veena Mankar	Mr. Ajay Sondhi	Mr. Rajan Anandan	Mr. Vikram Limaye	Mr. Vinod Rai	Mr. Gautam Kaji	
1.	Independent Directors										
	Fee for attending board and committee meetings	800,000	600,000	900,000	550,000	850,000	200,000	-	-	50,000	3,950,000
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	800,000	600,000	900,000	550,000	850,000	200,000	-	-	50,000	3,950,000
2.	Other Non-Executive Directors										
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	800,000	600,000	900,000	550,000	850,000	200,000	-	-	50,000	3,950,000
	Total Managerial Remuneration (A+B)										23,178,655
	Overall Ceiling as per the Act										Refer Notes

- Notes: 1. Mr. Gautam Kaji resigned from the Board w.e.f. September 30, 2015.
2. Mr. Vikram Limaye and Mr. Vinod Rai, Nominee Directors representing IDFC Limited, have not been paid sitting fees during FY16.
3. Commission will be paid as per the limits approved by the Shareholders of the Bank at the ensuing 2nd AGM to be held on July 27, 2016; not exceeding 1% of the net profits of the Bank as computed in the manner laid down in Section 198 of the Companies Act, 2013 or maximum of ₹ 10 Lakhs to each of such Directors, whichever is lower.
4. In terms of the provisions of the Companies Act, 2013, the remuneration to Directors other than Executive Director shall not exceed 1% of the Net Profits of the Bank. The remuneration paid to all the Directors is well within the said limits.

SR. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		
		MR. MAHENDRA N. SHAH (COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER)	MR. SUNIL KAKAR (CHIEF FINANCIAL OFFICER)	TOTAL
1.	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,908,233	8,869,092	15,777,325
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5,400	169,800	175,200
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
(a)	as % of profit	-	-	-
(b)	Others, specify.	-	-	-
5.	Others, Contribution to Provident and Other Funds	332,012	1,005,689	1,337,701
	Total	7,245,645	10,044,581	17,290,226

Note:

- Mr. Mahendra N. Shah and Mr. Sunil Kakar have been paid remuneration for the period beginning from October 01, 2015 (date of commencement of banking operations) to March 31, 2016 from IDFC Bank.
- In May 2016, Mr. Kakar and Mr. Shah were awarded by IDFC Bank a Performance Bonus of ₹ 0.90 crore and ₹ 0.82 crore respectively for their performance during FY16 (Previous Year ₹ 1.66 crore and ₹ 1.35 crore, respectively were paid by IDFC Limited while they were on the payroll of IDFC Limited, for their performance during FY15).
- For FY16, combined remuneration on accrual basis from IDFC Limited and IDFC Bank of Mr. Kakar and Mr. Shah was ₹ 2.87 crore and ₹ 2.21 crore respectively (Previous Year ₹ 3.31 crore and ₹ 2.41 crore respectively).
- Details of stock options granted during the year to Key Managerial Personnel are provided on the website of the Bank - www.idfcbank.com under 'Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 Disclosures'.

07

PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD/ NCLT/COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
A. BANK			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS			NIL		
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty					
Punishment					
Compounding					