

August 27, 2020

The Manager – Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra-Kurla-Complex, Bandra (East),
Mumbai - 400 051
NSE Scrip Code: IDFC

The Manager – Listing Department
BSE Limited
1st Floor, P.J. Towers,
Dalal Street,
Mumbai - 400 001
BSE Scrip Code: 532659

Dear Sirs,

Sub: Outcome of 140th Board Meeting of IDFC Limited

This is to inform you that the Board of Directors ('the Board') of IDFC Limited ('the Company') at its meeting held today i.e. August 27, 2020 has inter alia considered the following:

1. Approved the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2020. Please find enclosed herewith the aforesaid financial results together with copies of Limited Review Reports issued by Price Waterhouse & Co LLP, Chartered Accountants, the Statutory Auditors of the Company. We hereby confirm and declare that the Statutory Auditors of the Company have issued Report on the aforesaid financial results (Standalone and Consolidated) with unmodified opinion.

The above information is also available on the website of the Company: www.idfc.com

The Board Meeting commenced at 11:00 a.m. and concluded at 2:30 p.m.

Kindly take note of the same.

Thanking you,

Yours faithfully,
For IDFC Limited

Mahendra N. Shah
Company Secretary

Encl.: A/a

Price Waterhouse & Co Chartered Accountants LLP

To
The Board of Directors
IDFC Limited
906/907, 9th Floor, Embassy Centre,
Jamnalal Bajaj Road,
Nariman Point,
Mumbai – 400021

1. We have reviewed the unaudited financial results of IDFC Limited (the “Company”) for the quarter ended June 30, 2020 which are included in the accompanying Statement of Standalone Unaudited Financial Results (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been signed by us for identification purposes. Attention is drawn to the fact that the standalone figures for the corresponding quarter ended March 31, 2020, as reported in the Statement have been approved by the Parent’s Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters to the extent those are not inconsistent with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

Price Waterhouse & Co Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
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Registered office and Head office : Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Price Waterhouse & Co (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LUPIN AAC-4362) with effect from July 7, 2014. Post its Conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

Limited Review Report on the Standalone Financial Results

To the Board of Directors of IDFC Limited

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5. We draw your attention to Note 6 to the Statement, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. As mentioned in the note, necessary adjustment were made by the management to the Statement consequent to the impact of the outbreak of Covid-19, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our conclusion is not modified in respect of these matters.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Sharad Vasant

Partner

Membership Number: 101119

UDIN: 20101119AAAAEG3254

Place: Mumbai

Date: August 27, 2020

IDFC Limited

Registered Office: 4th Floor, Capitale Tower, 555, Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet, Chennai 600018, Tamil Nadu
CIN No. L65191TN1997PLC037415



(₹ in crores)

Statement of Standalone unaudited Financial Results for the quarter ended June 30, 2020

	Particulars	For the quarter ended			For the year ended
		June 30,2020	March 31,2020	June 30,2019	March 31, 2020
		Unaudited	Unaudited (refer note 5)	Unaudited	Audited
	Revenue from operations				
i	Interest income	0.01	-	1.00	1.96
ii	Dividend income (see note 2)	-	-	-	103.88
iii	Fees and commission income	-	-	0.01	0.01
iv	Net gain / (loss) on fair value changes	0.03	(12.89)	41.24	46.72
I	Total revenue from operations	0.04	(12.89)	42.25	152.57
II	Other income	10.95	2.43	2.89	11.53
III	Total income (I+II)	10.99	(10.46)	45.14	164.10
	Expenses				
i	Finance Charges	0.81	0.62	-	0.85
ii	Employee Benefits Expenses	2.49	4.82	3.99	14.52
iii	Impairment on financial instruments	-	8.33	0.01	8.33
iv	Impairment on investment in associate	-	35.62	-	35.62
v	Depreciation, amortization and impairment	18.02	10.02	1.27	13.80
vi	Other expenses	2.45	4.16	1.72	14.10
IV	Total expenses	23.77	63.57	6.99	87.22
V	Profit / (loss) before exceptional items and tax (III-IV)	(12.78)	(74.03)	38.15	76.88
VI	Exceptional Items	-	-	-	-
VII	Profit / (loss) before tax (V-VI)	(12.78)	(74.03)	38.15	76.88
VIII	Tax expense:				
	(1) Current tax	0.63	(0.31)	0.80	14.34
	(2) Deferred tax (net)	(3.12)	(3.29)	11.50	(1.68)
	(3) Tax adjustment on earlier years	-	-	0.04	0.04
	Total tax expense	(2.49)	(3.60)	12.34	12.70
IX	Profit / (loss) for the period (VII-VIII)	(10.29)	(70.43)	25.81	64.18
X	Other Comprehensive Income				
A	(i) Items that will not be reclassified to profit or loss				
	- Remeasurements of post-employment benefit obligations	0.02	0.26	(0.08)	0.06
	(ii) Income tax relating to items that will not be reclassified to profit or loss	β	(0.07)	0.02	(0.02)
B	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Other comprehensive income for the period, net of tax	0.02	0.19	(0.06)	0.04
XI	Total Comprehensive Income for the period (IX+X)	(10.27)	(70.24)	25.75	64.22
XII	Paid-up equity share capital (face value of ₹ 10 per share)	1,596.36	1,596.36	1,596.36	1,596.36
XIII	Earnings per equity share (not annualised):				
	Basic	(0.06)	(0.44)	0.16	0.40
	Diluted	(0.06)	(0.44)	0.16	0.40

Notes:-

- The standalone financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") prescribed under section 133 of the Companies Act, 2013.
- Revenue from operations for the year ended March 31, 2020 includes dividend from subsidiary companies of ₹ 103.88 crore.
- The Company's main business is to carry out Investment activity in India. All other activities of the Company revolve around the main business of the Company. Accordingly, there are no separate reportable segments, as per Ind AS 108 "Operating Segment."
- The aforesaid standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 27, 2020.
- The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures of the full financial year ended March 31, 2020 and unaudited figures in respect of the nine months ended December 31, 2019.

IDFC Limited

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- 6 The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. The outbreak was identified in China and on March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. Various governments have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus.

The Company is an investing company for the group. The Company has its investments in subsidiaries and associates of the group. The Company has made an assessment of its liquidity position for the next one year which factors uncertainties due to the current situation resulting in possible reduction in future income, diminution in the value of investee companies of the funds in which the Company has invested in. This situation is likely to continue for the next two quarters based on current assessment.

The Company has further assessed the recoverability and carrying value of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables and Investments as at June 30, 2020, and has concluded that there are no material adjustments required in the standalone financial results, other than those already considered. The Management has performed an analysis of the fair value of its unquoted and illiquid investments and provisions for impairment have been considered in the standalone financial results.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the Standalone financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

- 7 Figures less than ₹ 50,000 have been denoted by β.
- 8 Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.

For and on behalf of the Board of IDFC Limited

Sunil Kakar
Managing Director & CEO
Mumbai, August 27, 2020

We have signed this statement for identification purposes only and this statement should be read in conjunction with our report dated August 27, 2020.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration No. 304026E/E-300009

Sharad Vasant
Partner
Membership Number : 101119
Place: Mumbai
Date: August 27, 2020

Price Waterhouse & Co Chartered Accountants LLP

To
The Board of Directors
IDFC Limited
906/907, 9th Floor, Embassy Centre,
Jamnalal Bajaj Road,
Nariman Point,
Mumbai – 400021

1. We have reviewed the unaudited consolidated financial results of IDFC Limited (the “Parent”), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the “Group”), joint ventures and associate companies for the quarter ended June 30, 2020 which are included in the accompanying statement of unaudited consolidated financial results (the “Statement”). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been signed by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2020, as reported in the Statement have been approved by the Parent’s Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure A.

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Price Waterhouse & Co Chartered Accountants LLP

Limited Review Report on Consolidated Financial Results
To the Board of Directors of IDFC Limited

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 10 and 11 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to the following:
 - (a) Note 8 to the Statement regarding non laying of Consolidated Financial Statements of IDFC Foundation (a Subsidiary of the Parent) for the year ended March 31, 2018 in the Annual General Meeting held on September 28, 2018 as required under section 129(3) of the Act and consequent to which there is a non-compliance with the provisions of Section 137(1) of the Act to the extent this section is applicable to the consolidated financial statements. The consequential impact of these non-compliances is presently not ascertainable pending disposal of application filed by the Company for compounding of these contraventions before the Regional Director.
 - (b) In respect of the Parent and 3 subsidiaries of the Group reviewed by us, (including, IDFC Asset Management Company Limited, IDFC Financial Holding Company Limited and IDFC Foundation), we draw your attention to Note 11 to the Statement, which describes the Group's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Group. As mentioned in the note 11, necessary adjustments were made by the Group to the Statement consequent to the impact of the outbreak of Covid-19, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
 - (c) In respect of IDFC Alternatives Limited (a subsidiary of the Parent), we draw attention to note 6 to the Statement, regarding preparation of the special purpose financial information on realizable value basis, pursuant to the Group's decision to discontinue the operations of the Company in view of reasons stated therein. Further, we also draw reference to note 11 to the Statement which describes the Group's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the net realisable values. The Group believes that necessary adjustments were made to the Statement consequent to the impact of the outbreak of Covid-19, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.
 - (d) In respect of IDFC Trustee Company Limited and IDFC Projects Limited (subsidiaries of the Parent), we draw attention to Note 6 to the Statement regarding preparation of the special purpose financial information of these companies on a realisable value basis, pursuant to the Group's decision to discontinue the operations of these companies.

Our conclusion is not modified in respect of these matters

Price Waterhouse & Co Chartered Accountants LLP

Limited Review Report on Consolidated Financial Results

To the Board of Directors of IDFC Limited

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7. We draw attention to following Emphasis of matters paragraph included in the review report on the Special purpose condensed consolidated financial information of IDFC FIRST Bank Limited (an associate of the Parent), its subsidiary and its associate, issued by their auditors vide report dated July 28, 2020:
- i. “We draw attention to the fact that the accompanying Reporting package is not presented in accordance with and does not include all the information required to be disclosed as per Ind AS and accounting principles generally accepted in India. Accordingly, the accompanying Reporting package is not intended to give a true and fair view of the financial position of the Group as at 30 June 2020, or the results of its operations or its cash flows for the quarter then ended in accordance with accounting principles generally accepted in India
 - ii. As described in Note 3 to the Reporting package, in respect of overdue but standard accounts where moratorium benefit has been granted and the staging of those accounts at 30 June 2020 is based on the days past due status as on the date when the moratorium benefit was granted in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further, the extent to which the Covid-19 pandemic will impact the Group’s financial performance is dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of the above matters.”

Note 3 as described in the point ii. above corresponds to Note 4 of the Statement.

Our conclusion is not modified in respect of these matters.

8. We draw attention to following Emphasis matters paragraph included in the review report on the statement of unaudited financial results of Delhi Integrated Multi Modal Transit System Limited (a Joint Venture of the Parent), issued by their auditors vide report dated August 12, 2020:

“We draw your attention:

- i. To note (1) regarding Concession/Waiver in lease rent amounting to INR 50.22 lakhs for the period from 1st April, 2020 to 3rd May, 2020 being lockdown period rent due to COVID-19 has been sought from lessor namely DMRC in terms Lease Agreement’s Clause No. 24 pertaining to Force Majeure Clause and is shown as “Other Income”.
- ii. To note (2) regarding deduction in the salary of staff amounting to INR 39.63 lakhs has been made for the month of June 2020 as per resolution of Board of Directors for determent/cut for four months. However, this cut is subject to approval of study report by outside consultant still to be submitted.
- iii. To note (3) that no Deferred Tax Assets has been created for the quarter ended 30th June, 2020 due to uncertainty on account of COVID-19.
- iv. To note (4) regarding provision for doubtful debts will not impact quarterly results since provision for doubtful debts is made as per provisioning policy of the company.

Price Waterhouse & Co Chartered Accountants LLP

Limited Review Report on Consolidated Financial Results

To the Board of Directors of IDFC Limited

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Our conclusion is not modified in respect of above matters.”

Note (1) as described in point i. above corresponds to Note 10 i) of the Statement.

Note (2) as described in point ii. above corresponds to Note 10 ii) of the Statement.

Note (3) as described in point iii. above corresponds to Note 10 iii) of the Statement.

Note (4) as described in point iv. above corresponds to Note 10 iv) of the Statement.

Our conclusion is not modified in respect of these matters.

9. We draw attention to following Other Matters paragraph included in the review report on the Special purpose condensed consolidated financial information of IDFC FIRST Bank Limited (an associate of the Parent), its subsidiary and its associate, issued by their auditors vide report dated July 28, 2020:

“The comparative financial information of the Group for the year ended 31 March 2019 included in the Reporting package is not audited by us. The comparative financial information of the Group for the year ended 31 March 2019 included in the Reporting package has been audited by the predecessor auditor who had expressed an unmodified opinion dated 28 May 2019 on the audited Reporting package for the year ended 31 March 2019.

Our conclusion is not modified in respect of above matter.”

10. We did not review the financial information / financial results of two subsidiaries included in the Statement, whose financial information / financial results reflect total revenues of Rs. 0.21 crores, total profit after tax of Rs. 0.22 crores and total comprehensive income of Rs. 0.22, for the quarter ended June 30, 2020, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 34.35 crores and total comprehensive income (net) of Rs. 21.90 crores for the quarter ended June 30, 2020, as considered in the Statement, in respect of two associates and two joint ventures, whose financial information/ financial results have not been reviewed by us. These financial information / financial results have been reviewed by other auditors whose reports expressed unmodified conclusion and have been furnished to us by the Management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
11. We did not review the financial information / financial results of four subsidiary included in the Statement, whose financial information / financial results reflect total revenues of Rs. 7.07 crores, total loss after tax (net) of Rs. 3.97 crores and total comprehensive loss (net) of Rs. 3.97, for the quarter ended June 30, 2020, as considered in the Statement. These financial information / financial results have been reviewed by other auditors in accordance with SRE 2400, Engagements to Review Historical Financial Statements and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by the other auditors and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Price Waterhouse & Co Chartered Accountants LLP

Limited Review Report on Consolidated Financial Results

To the Board of Directors of IDFC Limited

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12. The Statement includes the financial information/ financial results of two subsidiaries which have not been reviewed by their auditors, whose financial information/ financial results reflect total revenue of Rs. Nil, total net loss after tax of Rs. 0.20 crores total comprehensive loss of Rs. 0.20 crores for the quarter ended June 30, 2020, as considered in the Statement. The Statement also includes the Group's share of net profit/(loss) after tax of Rs. Nil and total comprehensive income / loss of Rs. Nil for the quarter ended June 30, 2020, as considered in the Statement, in respect of one associate, based on their financial information/ financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial information / financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the matters set out in paragraphs 9, 10, 11 and 12 above.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Sharad Vasant
Partner
Membership Number: 101119

UDIN: 20101119AAAAEH5039
Place: Mumbai
Date: August 27, 2020

Price Waterhouse & Co Chartered Accountants LLP

Limited Review Report on Consolidated Financial Results

To the Board of Directors of IDFC Limited

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Annexure A: List of entities

A. Subsidiaries – Direct

1. IDFC Projects Limited
2. IDFC Financial Holding Company Limited
3. IDFC Foundation (a section 8 company)
4. IDFC Alternatives Limited (w.e.f November 14, 2019)
5. IDFC Trustee Company Limited (w.e.f November 14, 2019)

B. Subsidiaries – Indirect

1. IDFC Alternatives Limited (upto November 13, 2019)
2. IDFC Asset Management Company Limited
3. IDFC Trustee Company Limited (upto November 13, 2019)
4. IDFC AMC Trustee Company Limited
5. IDFC Securities Limited (upto June 10, 2020)
6. IDFC Capital (Singapore) Pte Limited
7. IDFC Investment Managers (Mauritius) Limited
8. IDFC Capital (USA), Inc. (upto June 10, 2020)
9. IDFC Securities Singapore Pte. Limited (upto June 10, 2020)
10. India Multi Avenues Fund Limited
11. IDFC IEH Conservative Fund (w.e.f. February 15, 2018)
12. IDFC IEH Tactical Fund (w.e.f. February 16, 2019)

C. Associates – Direct

1. Novopay Solutions Private Limited

D. Associates – Indirect

1. IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited)
2. IDFC FIRST Bharat Limited (formerly known as IDFC Bharat Limited)
3. Millennium City Expressways Private Limited
4. NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) (upto March 30, 2020)
5. Jetpur Somnath Tollways Limited
6. Emerging Markets Private Equity Fund LP (upto April 04, 2019)

E. Joint Ventures – Indirect

1. Infrastructure Development Corporation (Karnataka) Limited
2. Delhi Integrated Multi-Modal Transit System Limited
3. India PPP Capacity Building Trust

IDFC Limited

Registered Office: 4th Floor, Capitale Tower, 555, Anna Salai, Thiru Vi Ka Kudiyiruppu, Teynampet, Chennai 600018, Tamil Nadu.

CIN No. L65191TN1997PLC037415



Statement of Consolidated unaudited Financial Results for the quarter ended June 30, 2020

(₹ in crores)

	Particulars	For the quarter ended			For the year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		Unaudited	Unaudited (Refer note 13)	Unaudited	Audited
	Revenue from operations				
i	Interest income	6.97	4.46	4.60	20.14
ii	Dividend income	0.01	1.57	0.03	1.74
iii	Fees and commission income	73.42	88.29	61.71	306.16
iv	Net gain / (loss) on fair value changes	8.25	(47.27)	51.91	12.68
I	Total revenue from operations	88.65	47.05	118.25	340.72
II	Other income	15.34	6.49	14.79	32.13
III	Total income (I+II)	103.99	53.54	133.04	372.85
	Expenses				
i	Finance costs	2.51	2.45	0.63	2.58
ii	Impairment on financial instruments	0.09	11.31	0.03	11.22
iii	Employee benefits expenses	24.11	25.10	28.90	118.94
iv	Depreciation, amortization and impairment	22.60	18.09	5.82	31.57
v	Other expenses	20.92	34.10	22.65	120.20
IV	Total expenses (IV)	70.23	91.05	58.03	284.51
V	Profit / (loss) before exceptional items and tax (III - IV)	33.76	(37.51)	75.01	88.34
VI	Exceptional Items	-	-	-	-
VII	Profit / (loss) before share of net profits of investments accounted for using equity method and tax (V-VI)	33.76	(37.51)	75.01	88.34
VIII	Share of net profit / (loss) of associates and joint ventures accounted for using equity method	(34.35)	(189.37)	(51.56)	(1,004.45)
IX	Profit / (Loss) before tax from continuing operations (VII + VIII)	(0.59)	(226.88)	23.45	(916.11)
X	Tax expense:				
i	Current tax	22.44	21.83	13.80	67.47
ii	Deferred tax (net)	(2.55)	(6.36)	3.19	(7.22)
iii	Tax adjustment of earlier years	6.11	-	0.16	0.14
	Total tax expense	26.00	15.47	17.15	60.39
XI	Net profit / (loss) after tax from continuing operations (IX - X)	(26.59)	(242.35)	6.30	(976.50)
XII	Discontinued operations:				
i	Profit / (loss) from discontinued operations	(0.16)	(2.26)	0.36	(19.18)
ii	Tax expense of discontinued operations	(0.29)	(1.69)	1.48	0.45
	Net profit / (loss) for the period from discontinued operations	0.13	(0.57)	(1.12)	(19.63)
XIII	Net profit / (loss) for the year/ period (XI+XII)	(26.46)	(242.92)	5.18	(996.13)
XIV	Other Comprehensive Income				
A	(i) Items that will not be reclassified to profit or loss				
	- Remeasurements of post-employment benefit obligations	(0.27)	(0.55)	(0.57)	(0.85)
	- OCI arising from discontinued operation	-	1.22	0.34	1.12
	-Share of OCI of associates and joint ventures accounted for using equity method	19.99	(54.94)	(4.56)	(56.47)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.07	0.14	(15.79)	0.20
B	(i) Items that will be reclassified to profit or loss				
	-Share of OCI of associates and joint ventures accounted for using equity method	36.26	99.05	(218.96)	(378.87)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	7.23	-
	Other comprehensive income for the year, net of tax	56.05	44.92	(232.31)	(434.87)
XV	Total Comprehensive Income for the period (XIII+XIV)	29.59	(198.00)	(227.13)	(1,431.00)
	Net Profit/(Loss) attributable to:				
	- Owners	(26.26)	(240.48)	5.18	(994.90)
	- Non-controlling interests	(0.20)	(2.44)	-	(1.23)
	Other comprehensive income attributable to:				
	- Owners	56.05	44.92	(232.31)	(434.87)
	- Non-controlling interests	-	-	-	-
	Total comprehensive income attributable to:				
	- Owners	29.79	(195.56)	(227.13)	(1,429.77)
	- Non-controlling interests	(0.20)	(2.44)	-	(1.23)
	Total comprehensive income attributable to owners from:				
	- Continuing operations	29.46	(198.65)	(226.35)	(1,412.49)
	- Discontinued operations	0.13	0.65	(0.78)	(18.51)
XVI	Paid-up equity share capital (face value of ₹ 10 per share)	1,596.36	1,596.36	1,596.36	1,596.36
XVII	Earnings per equity share				
	For continuing operations:				
	(1) Basic	(0.17)	(1.52)	0.04	(6.12)
	(2) Diluted	(0.17)	(1.52)	0.04	(6.12)
	For discontinued operations:				
	(1) Basic	0.00	(0.00)	(0.01)	(0.12)
	(2) Diluted	0.00	(0.00)	(0.01)	(0.12)
	For continuing and discontinued operations:				
	(1) Basic	(0.17)	(1.52)	0.03	(6.24)
	(2) Diluted	(0.17)	(1.52)	0.03	(6.24)
	See accompanying note to the financial results				

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**1 The disclosure in terms of Ind AS 108 dealing with "Operating Segment" as specified under Section 133 of the Companies Act, 2013**

(₹ in crores)

Particulars	For the quarter ended			For the year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	Unaudited	Unaudited (Refer note 13)	Unaudited	Audited
Segment Revenues				
- Financing	68.01	(12.16)	44.33	246.99
- Asset Management	82.25	55.50	95.91	335.42
- Others	0.65	0.53	2.70	4.23
Total Segment Revenues	150.91	43.87	142.94	586.64
Add: Unallocated Revenues	-	-	-	-
Less: Inter-segment Adjustments	(62.26)	3.18	(24.69)	(245.92)
Total Revenues	88.65	47.05	118.25	340.72
Segment Results				
- Financing	(7.52)	(36.83)	39.21	(18.89)
- Asset Management	42.06	1.28	29.37	107.63
- Others	(0.78)	(1.96)	6.43	(0.40)
Total Segment Results	33.76	(37.51)	75.01	88.34
Add / (Less): Unallocated	-	-	-	-
Add: Share of Profit from Associates accounted under Equity method	(34.35)	(189.37)	(51.56)	(1,004.45)
Profit before tax	(0.59)	(226.88)	23.45	(916.11)
Segment Assets				
- Financing	249.39	705.67	837.39	705.67
- Asset Management	1,339.29	1,389.98	1,575.30	1,389.98
- Others	84.06	42.77	74.70	42.77
Total Segment Assets	1,672.74	2,138.42	2,487.39	2,138.42
Unallocated				
- Banking	6,981.75	6,152.03	7,241.14	6,152.03
- Others	104.74	159.99	188.62	159.99
Disposal group held for sale	-	118.62	446.95	118.62
Total Assets	8,759.23	8,569.06	10,364.10	8,569.06
Segment Liabilities				
- Financing	238.59	39.15	21.28	39.15
- Asset Management	114.16	129.73	107.05	129.73
- Others	14.83	17.09	11.94	17.09
Total Segment Liabilities	367.58	185.97	140.27	185.97
Unallocated				
- Others	24.90	17.82	50.24	17.82
Disposal group held for sale	-	44.58	14.07	44.58
Total Liabilities	392.48	248.37	204.58	248.37
Capital Employed				
- Financing	10.80	666.52	816.11	666.52
- Asset Management	1,225.13	1,260.25	1,468.25	1,260.25
- Others	69.23	25.68	62.76	25.68
Total Segment Capital Employed	1,305.16	1,952.45	2,347.12	1,952.45
Unallocated				
- Banking	6,956.85	6,152.03	7,241.14	6,152.03
- Others	104.74	142.17	138.38	142.17
Disposal group held for sale	-	74.04	432.88	74.04
Total Capital Employed	8,366.75	8,320.69	10,159.52	8,320.69

(i) Segment composition :

- Financing includes investing activity.
- Asset Management segment includes portfolio management, mutual fund and other alternative funds.

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- 2 The consolidated financial results of the Group have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") prescribed under section 133 of the Companies Act, 2013.
- 3 On November 7, 2019 the Group executed definitive agreements with Mr. Dharmesh Mehta & other investors for the sale of its entire investment in IDFC Securities Limited ('ISL'). The sale was concluded in June 2020 post receiving all regulatory approvals. With the sale IDFC Securities Limited, IDFC Securities (Singapore) Pte Ltd and IDFC Capital (USA) Inc. have ceased to be subsidiaries of the group.
- 4 The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended until May 31, 2020 across the country to contain the spread of the virus. On May 30, 2020 the Government announced a phased reopening of certain activities outside specified containment zones, while the lockdown was extended to June 30, 2020 in such containment zones. Some of the states further extended the lockdown to July 31, 2020.

The impact of COVID-19, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activity, which may persist even after the restrictions related to the COVID-19 outbreak are lifted. During the quarter ended June 30, 2020, the loan growth and fee income was impacted due to lower credit demand and consumer spends. In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Bank has granted moratorium on the payment of installments falling due between 01 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Bank continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The extent to which the COVID-19 pandemic will impact the Bank's operations and asset quality will depend on the future developments, which are highly uncertain, including among the other things any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Bank. This uncertainty is reflected in the Bank's assessment of impairment loss allowance on its loans which are subject to certain management judgements and estimates. In relation to COVID-19, judgements and assumptions included the estimated impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries/products, along with the associated impact on domestic and global economy.

We believe that the Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period. The Bank will continue to monitor any material changes to future economic conditions and consequential impact on its reporting package.

- 5 The Bank has sought for renewal of dispensation from the Reserve Bank of India, which was valid till December 31, 2019, to grandfather certain loan accounts which were given by the erstwhile Capital First Limited as a Non Banking Financial Company (NBFC). Whilst the application for dispensation is pending approval with RBI, the Bank expects that the dispensation will be granted and that this matter has no material financial impact on the results of the Bank.
- 6 In view of likely discontinuance of business operations of IDFC Alternatives Limited, IDFC Trustee Company Limited and IDFC Projects Limited, the special purpose financial information of these subsidiaries have been prepared on net realisable value basis and accordingly, all assets and liabilities are stated at the value at which they are expected to be realised/ settled.
- 7 On October 31, 2019 Monetary Authority of Singapore ('MAS') cancelled the Capital Market Services ('CMS') license issued to IDFC Capital (Singapore) Pte. Ltd., Wholly Owned Subsidiary ('WOS') of IDFC Alternatives Limited. Further the WOS is in the process of liquidation subject to regulatory approval.
- 8 IDFC Foundation did not lay before the Shareholders the consolidated financial statements for the year ended March 31, 2018 in the Annual General Meeting held on September 28, 2018 as required under section 129(3) of the Companies Act, 2013 ("Act") due to non- availability of audited financial statements of one of its material jointly controlled entities and consequently, compliances as per the provisions of section 137(1) of the Act have not been done to the extent this section is applicable to the consolidated financial statements. These were adopted by the Board of Directors in its meeting held on February 13, 2019 and the same was approved by the Shareholders in its Extraordinary General Meeting held on March 11, 2019. IDFC Foundation has filed applications with the Hon'ble Company Law Tribunal on May 10, 2019, for compounding of aforesaid non-compliance, which are pending for the disposal. Consequently, the resulted financial impact of these non-compliances in the above result is not ascertainable.

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- 9 IDFC FIRST Bank Limited in June 2020 raised equity capital by way of issue of equity shares on preferential basis amounting to ₹ 2,000 crore to augment their capital base. IDFC as a promoter of the Bank, invested a sum of ₹ 800 crore (to maintain 40% stake as required under RBI Guidelines of February 2013) through its wholly owned subsidiary IDFC Financial Holding Company Limited.
- 10 Delhi Integrated Multi Modal Transit System Limited ('DIMTS'), a joint venture under IDFC Foundation (a wholly owned subsidiary of the Holding Company) has emphasized the following points in its quarterly result:
- i Concession/Waiver in lease rent amounting to ₹ 0.50 crores for the period April 01, 2020 to May 03, 2020 being lockdown period rent due to COVID-19 has been sought from lessor namely DMRC in terms of provision in lease agreement and is shown as "Other Income". The matter is under consideration of the lessor as per Agreement's Clause No. 24 pertaining to Force Majeure Clause.
 - ii The Board of Directors in their circular resolution passed on June 23, 2020 approved deferment of part salary for employees drawing CTC above ₹ 0.06 crores in a graded manner with effect from June 01, 2020 for a period of four months. The salary rationalisation study is being conducted by an outside consultant. The recommendations will be effective from June 01, 2020 after approval of board. Accordingly, the impact for the same for the month of June-20 amounting to ₹ 0.40 crores has been reduced from the employee benefit expense taken for the quarter.
 - iii No Deferred Tax Assets has been created for the quarter ended 30th June, 2020 due to uncertainty on account of COVID-19.
 - iv There was an outstanding of ₹ 2.57 crores in respect of DTC Pass Share from Transport Department (DoT) pertaining to FY 2014-15 to FY 2016-17. As per approved "Debtors Provisioning Policy" of the Company, the Company had created a provision for doubtful debts on March 31, 2020 for ₹ 1.29 crores and on June 30, 20 for ₹ 0.19 crores. To resolve the matter, there was a meeting with DoT on June 24, 2020 in which DoT has decided to pay the said amount after taking approval of Finance Department for deduction of this amount from annual funding to DTC. The upside of ₹ 1.48 crores due to aforesaid commitment by DoT by way of Minutes of aforesaid meeting due to reversal of provision for doubtful debts post this positive development has not been given effect in the Quarter-1 financials, as amount is yet to be credited to DIMTS account.
- 11 The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days and 14 days across the country to contain the spread of virus.
- The Group's operations are included in essential services and have continued through the lock down declared by the government. The Group has made an assessment of its liquidity position applying stress scenarios. The Group believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial results.
- The Group has further assessed the recoverability and carrying value of its assets comprising Investments, Property, Plant and Equipment, Intangible assets and other assets as at June 30, 2020, and has concluded that there are no material adjustments required in the financial results, other than those already considered. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions.
- 12 The aforesaid consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 27, 2020.
- 13 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures of the full financial year ended March 31, 2020 and unaudited figures in respect of the nine months ended December 31, 2019.
- 14 Figures less than ₹ 50,000 have been denoted by β.
- 15 Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.

For and on behalf of the Board of IDFC Limited

Sunil Kakar
Managing Director & CEO
Mumbai: August 27, 2020

We have signed this statement for identification purposes only and this statement should be read in conjunction with our report dated August 27, 2020.

For Price Waterhouse & Co Chartered Accountant LLP
Firm Registration No. 304026E/E-300009

Sharad Vasant
Partner
Membership Number : 101119
Place: Mumbai
Date: August 27, 2020