



November 10, 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 141st 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. November 10, 2020 has inter alia considered the following:

1. Approved the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 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 11:15 a.m. and concluded at 1:30 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 September 30, 2020 which are included in the accompanying Statement of Standalone unaudited Financial Results, the Statement of Standalone Unaudited Assets and Liabilities as on that date and the Statement of Standalone Unaudited cash flows for the half-year ended on that date (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.
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 applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies 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) Mumbai 400 028
T: +91(22) 66691500, F: +91 (22) 66547804 / 07*

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata, 700091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN 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-00009 (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 9 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 this matter.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Sharad Vasant

Partner

Membership Number 101119

UDIN : 20101119AAAAFK5666

Mumbai

November 10, 2020

(₹ in crores)

Statement of Standalone unaudited Financial Results for the quarter and half year ended September 30, 2020						
Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited (refer note 8)	Unaudited	Unaudited (refer note 8)	Unaudited	Unaudited	Audited
Revenue from operations						
i Interest income	-	0.01	0.95	0.01	1.95	1.96
ii Dividend income (see note 4)	-	-	-	-	-	103.88
iii Fees and commission income	-	-	-	-	0.01	0.01
iv Net gain / (loss) on fair value changes	(0.63)	0.03	8.00	(0.60)	49.24	46.72
I Total revenue from operations	(0.63)	0.04	8.95	(0.59)	51.20	152.57
II Other income	1.62	10.95	3.45	12.57	6.34	11.53
III Total income (I+II)	0.99	10.99	12.40	11.98	57.54	164.10
Expenses						
i Finance Charges	0.72	0.81	-	1.53	-	0.85
ii Employee Benefits Expenses	2.70	2.49	2.73	5.19	6.72	14.52
iii Impairment on financial instruments	0.01	-	(0.01)	0.01	β	8.33
iv Impairment on investment in associate	-	-	-	-	-	35.62
v Depreciation, amortization and impairment (see note 5)	(16.56)	18.02	1.26	1.46	2.53	13.80
vi Other expenses (see note 5)	18.81	2.45	4.20	21.26	5.92	14.10
IV Total expenses	5.68	23.77	8.18	29.45	15.17	87.22
V Profit / (loss) before exceptional items and tax (III-IV)	(4.69)	(12.78)	4.22	(17.47)	42.37	76.88
VI Exceptional Items	-	-	-	-	-	-
VII Profit / (loss) before tax (V-VI)	(4.69)	(12.78)	4.22	(17.47)	42.37	76.88
VIII Tax expense:						
(1) Current tax	2.51	0.63	8.54	3.14	9.34	14.34
(2) Deferred tax (net)	(5.24)	(3.12)	(6.85)	(8.36)	4.65	(1.68)
(3) Tax adjustment on earlier years	-	-	-	-	0.04	0.04
Total tax expense	(2.73)	(2.49)	1.69	(5.22)	14.03	12.70
IX Profit / (loss) for the period (VII-VIII)	(1.96)	(10.29)	2.53	(12.25)	28.34	64.18
X Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss						
- Remeasurements of post-employment benefit obligations	(0.13)	0.02	(0.05)	(0.11)	(0.13)	0.06
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	β	0.01	0.03	0.03	(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	(0.10)	0.02	(0.04)	(0.08)	(0.10)	0.04
XI Total Comprehensive Income for the period (IX+X)	(2.06)	(10.27)	2.49	(12.33)	28.24	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	1,596.36	1,596.36
XIII Earnings per equity share (not annualised):						
Basic	(0.02)	(0.06)	0.02	(0.08)	0.18	0.40
Diluted	(0.02)	(0.06)	0.02	(0.08)	0.18	0.40

IDFC Limited

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



Notes:-

1 Statement of Standalone unaudited Assets and Liabilities as at September 30, 2020

Particulars	(` in crores)	
	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	0.44	0.69
Bank balances other than cash and cash equivalents	1.87	1.48
Receivables		
(i) Trade receivables	-	-
(ii) Other receivables	0.25	0.02
Investments	9,286.21	9,285.96
Other financial assets	0.29	0.37
Non-financial assets		
Income tax asset (net)	3.03	3.03
Deferred tax assets (net)	1.22	-
Property, plant and equipment	0.13	38.15
Other non-financial assets	2.71	2.18
Total assets	9,296.15	9,331.88
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.77	1.58
(ii) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Other financial liabilities	29.46	43.12
Non-financial Liabilities		
Income tax liabilities (net)	1.92	1.21
Deferred tax liabilities (net)	-	7.14
Provisions	22.77	22.69
Other non-financial liabilities	0.32	0.58
EQUITY		
Equity share capital	1,596.36	1,596.36
Other equity	7,643.55	7,659.20
Total liabilities and equity	9,296.15	9,331.88

IDFC Limited

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2 Statement of Standalone unaudited cash flows for the half year ended September 30, 2020

Particulars	(` in crores)	
	Half year ended September 30, 2020	Half year ended September 30, 2019
CASH FLOW FROM OPERATING ACTIVITIES :		
(Loss) / Profit before tax	(17.47)	42.37
Adjustments :		
Depreciation, amortisation and impairment	1.46	2.53
Net loss on sale of property, plant and equipments	16.57	-
Impairment of financial instruments	0.01	β
Interest income	(0.01)	(1.93)
Interest expense	1.53	-
Gain on sale of investments (net)	(0.22)	(28.53)
Employee share based payment expense	(0.28)	1.25
Change in fair value of financial assets at FVTPL	0.82	(20.71)
Capex recovery	-	(0.29)
Provisions for employee benefits	(0.08)	(0.10)
Operating profit / (loss) before working capital changes	2.33	(5.41)
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	(0.23)	(4.00)
Other assets	(0.45)	(11.41)
Bank balances other than cash and cash equivalents	(0.39)	-
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	0.19	0.68
Other liabilities	(1.60)	(3.01)
Cash utilised for operations	(2.48)	(17.74)
Less : Income taxes paid (net of refunds)	(2.41)	29.57
Net cash (utilised) / inflow from operating activities	(2.56)	6.42
CASH FLOW FROM INVESTING ACTIVITIES :		
Payments for purchase of investment	(32.30)	(174.54)
Payments for property, plant and equipments	(0.02)	(0.01)
Proceeds from disposal of property, plant and equipments	20.00	-
Advances given to subsidiary	(0.01)	(1.00)
Advances recovered from subsidiary	-	1.01
Interest received on fixed deposits	0.01	(0.02)
Proceeds from sale of investments	28.41	566.46
Term deposits placed	(6.00)	(7.22)
Term deposits matured	6.00	7.23
Net cash inflow from investing activities	16.09	391.91
CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(1.78)	-
ICD taken from subsidiary	25.00	-
ICD repaid	(37.00)	-
Net cash (outflow) from financing activities	(13.78)	-
NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES	(0.25)	398.33
Add : Cash and cash equivalents at beginning of the period	0.69	2.67
Cash and cash equivalents at end of the period	0.44	401.00

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- 3 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.
- 4 Revenue from operations for the year ended March 31, 2020 includes dividend from subsidiary companies of ₹ 103.88 crore.
- 5 Impairment of windmills amounting to ₹ 17.05 crore was done for the quarter ended June 30, 2020. Post sale of windmills in current quarter impairment loss has been reversed and realised loss of ₹ 16.57 crore has been recognised under other expenses.
- 6 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."
- 7 The aforesaid standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 10, 2020.
- 8 The figures for the quarter ended September 30, 2020 and September 30, 2019 are the balancing figures between reviewed figures for the half year ended September 30, 2020 and September 30, 2019 and quarter ended June 30, 2020 and June 30, 2019 respectively.
- 9 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.

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 September 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.

- 10 Figures less than ₹ 50,000 have been denoted by β.
- 11 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
Place: Mumbai
Date: November 10, 2020

We have signed this statement for identification purposes only and this statement should be read in conjunction with our report dated November 10, 2020.

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

Sharad Vasant
Partner
Membership Number : 101119
Place: Mumbai
Date: November 10, 2020

Price Waterhouse & Co Chartered Accountants LLP

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 September 30, 2020 which are included in the accompanying statement of consolidated unaudited financial results, the Statement of consolidated Unaudited Assets and Liabilities as on that date and the Statement of consolidated Unaudited cash flows for the half-year ended on that date (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.
2. This Statement, which is the responsibility of the Parent’s Management and has been 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.
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.

*Price Waterhouse & Co Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
Mumbai 400 028
T: +91(22) 66691500, F: +91 (22) 66547804 / 07*

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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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6. We draw attention to the following:

- (a) Note 10 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 6 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 6, 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 8 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 6 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 8 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

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 October 31, 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 September 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 accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period 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 Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of the above 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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Note 3 as described in the point ii. above corresponds to Note 11 (i) 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 November 4, 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”. Confirmation from the lessor is still awaited.
- ii. To note (2) regarding deduction in the salary of staff amounting to Rs.158.52 lakhs has been made for the period from June 2020 to September,2020 as per resolution of Board of Directors for deferment/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 September, 2020 due to uncertainty on account of COVID-19.
- iv. To note (4) that credit notes were issued in the FY 2019-20 at the year-end in respect of the two projects, where the management was not hopeful of full recovery. If this impact is taken in the half year ending 30th September, 2019 total revenue and profit before tax will be reduced by Rs.561 lakhs. Accordingly, Total Revenue from Operations will be revised to Rs.7242.12 lakhs and Profit before Tax will be revised to Rs.113.93 lakhs for the half year ended 30th September 2019.

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

Note (1) as described in point i. above corresponds to Note 13 (i) of the Statement.

Note (2) as described in point ii. above corresponds to Note 13 (ii) of the Statement.

Note (3) as described in point iii. above corresponds to Note 13 (iii) of the Statement.

Note (4) as described in point iv. above corresponds to Note 13 (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 October 31, 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.”

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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10. We did not review the financial information / financial results of two subsidiaries included in the Statement, whose financial information / financial results reflect total assets of Rs. 56.46 crores and net assets of Rs. 55.02 crores and total revenues of Rs. (5.13) crores, total net loss after tax of Rs. 6.28 crores and total net comprehensive loss of Rs. 6.28 crores, for the quarter ended September 30, 2020, and cash inflows (net) of Rs. 10.16 Crores for the period April 1, 2020 to September 30, 2020, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 169.04 crores and total comprehensive loss (net) of Rs. 3.35 crores for the quarter ended September 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 their 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 their auditors and the procedures performed by us as stated in paragraph 3 above.
11. We did not review the financial information / financial results of one subsidiary included in the Statement, whose financial information / financial results reflect total assets of Rs. 3.81 crores and net assets of Rs. 3.63 crores and total revenues of Rs. 0.003 crores, total loss after tax (net) of Rs. 0.01 crores and total comprehensive loss of Rs. 0.01 crores, for the quarter ended September 30, 2020, and cash outflows (net) of Rs. 0.36 crores for the period April 1, 2020 to September 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 subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.
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 assets of Rs. 0.40 crores and net assets of Rs. (1.29) crores and total revenue of Rs. Nil, total net loss after tax (net) of Rs. 0.19 crores total comprehensive loss (net) of Rs. 0.19 crores for the quarter ended September 30, 2020, and cash inflows (net) of Rs. 0.04 crores for the period April 1, 2020 to September 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 September 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 10, 11 and 12 above.

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

Place: Mumbai
Date: November 10, 2020

Sharad Vasant
Partner
Membership Number 101119
UDIN: 20101119AAAAFL7690

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
12. IDFC IEH Tactical Fund

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

Statement of Consolidated unaudited Financial Results for the half year ended September 30, 2020

(₹ in crores)

Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited (Refer note 15)	Unaudited	Unaudited (Refer note 15)	Unaudited	Unaudited	Audited
Revenue from operations						
i Interest income	1.42	6.97	4.83	8.39	9.43	20.14
ii Dividend income	0.16	0.01	0.11	0.17	0.14	1.74
iii Fees and commission income	84.71	73.42	73.07	158.13	134.78	306.16
iv Net gain / (loss) on fair value changes	0.45	8.25	(20.12)	8.70	31.79	12.68
I Total revenue from operations	86.74	88.65	57.89	175.39	176.14	340.72
II Other income	4.80	15.34	6.85	20.14	21.64	32.13
III Total income (I+II)	91.54	103.99	64.74	195.53	197.78	372.85
Expenses						
i Finance costs	4.84	2.51	(0.54)	7.35	0.09	2.58
ii Impairment on financial instruments	(1.03)	0.09	(0.13)	(0.94)	(0.10)	11.22
iii Employee benefits expenses	29.32	24.11	33.13	53.43	62.03	118.94
iv Depreciation, amortization and impairment (see note 5)	(11.80)	22.60	2.85	10.80	8.67	31.57
v Other expenses (see note 5)	34.37	20.92	30.64	55.29	53.29	120.20
IV Total expenses (IV)	55.70	70.23	65.95	125.93	123.98	284.51
V Profit / (loss) before exceptional items and tax (III - IV)	35.84	33.76	(1.21)	69.60	73.80	88.34
VI Exceptional Items	-	-	-	-	-	-
VII Profit / (loss) before share of net profits of investments accounted for using equity method and tax (V-VI)	35.84	33.76	(1.21)	69.60	73.80	88.34
VIII Share of net profit / (loss) of associates and joint ventures accounted for using equity method	(169.04)	(34.35)	(369.71)	(203.39)	(421.27)	(1,004.45)
IX Profit / (Loss) before tax from continuing operations (VII + VIII)	(133.20)	(0.59)	(370.92)	(133.79)	(347.47)	(916.11)
X Tax expense:						
i Current tax	14.88	22.44	14.48	37.32	28.28	67.47
ii Deferred tax (net)	(5.35)	(2.55)	(9.46)	(7.90)	2.45	(7.22)
iii Tax adjustment of earlier years	4.18	6.11	β	10.29	0.16	0.14
Total tax expense	13.71	26.00	5.02	39.71	30.89	60.39
XI Net profit / (loss) after tax from continuing operations (IX - X)	(146.91)	(26.59)	(375.94)	(173.50)	(378.36)	(976.50)
XII Discontinued operations:						
i Profit / (loss) from discontinued operations	0.23	(0.16)	(31.32)	0.07	(30.96)	(19.18)
ii Tax expense of discontinued operations	-	(0.29)	(0.26)	(0.29)	1.22	0.45
Net profit / (loss) for the period from discontinued operations	0.23	(0.13)	(31.06)	0.36	(32.18)	(19.63)
XIII Net profit / (loss) for the year/ period (XI+XII)	(146.68)	(26.46)	(407.00)	(173.14)	(410.54)	(996.13)
XIV Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss						
- Remeasurements of post-employment benefit obligations	1.04	(0.27)	0.35	0.77	(0.22)	(0.85)
- OCI arising from discontinued operation	-	-	(0.44)	-	(0.10)	1.12
-Share of OCI of associates and joint ventures accounted for using equity method	(47.17)	19.99	5.79	(27.18)	1.23	(56.47)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.25)	0.07	(0.12)	(0.18)	0.04	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	212.94	36.26	116.57	249.20	(102.39)	(378.87)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	166.56	56.05	122.15	222.61	(101.44)	(434.87)
XV Total Comprehensive Income for the period (XIII+XIV)	19.88	29.59	(284.85)	49.47	(511.98)	(1,431.00)
Net Profit/(Loss) attributable to:						
- Owners	(145.27)	(26.26)	(407.78)	(171.53)	(411.32)	(994.90)
- Non-controlling interests	(1.41)	(0.20)	0.78	(1.61)	0.78	(1.23)
Other comprehensive income attributable to:						
- Owners	166.56	56.05	122.15	222.61	(101.44)	(434.87)
- Non-controlling interests	-	-	-	-	-	-
Total comprehensive income attributable to:						
- Owners	21.29	29.79	(285.63)	51.08	(512.76)	(1,429.77)
- Non-controlling interests	(1.41)	(0.20)	0.78	(1.61)	0.78	(1.23)
Total comprehensive income attributable to owners from:						
- Continuing operations	19.65	29.46	(253.35)	49.11	(479.70)	(1,412.50)
- Discontinued operations	0.23	0.13	(31.50)	0.36	(32.28)	(18.50)
XVI Paid-up equity share capital (face value of ₹ 10 per share)	1,596.36	1,596.36	1,596.36	1,596.36	1,596.36	1,596.36
XVII Earnings per equity share						
For continuing operations:						
(1) Basic	(0.92)	(0.17)	(2.35)	(1.09)	(2.37)	(6.12)
(2) Diluted	(0.92)	(0.17)	(2.35)	(1.09)	(2.37)	(6.12)
For discontinued operations:						
(1) Basic	0.01	0.00	(0.20)	0.01	(0.20)	(0.12)
(2) Diluted	0.01	0.00	(0.20)	0.01	(0.20)	(0.12)
For continuing and discontinued operations:						
(1) Basic	(0.91)	(0.17)	(2.55)	(1.08)	(2.57)	(6.24)
(2) Diluted	(0.91)	(0.17)	(2.55)	(1.08)	(2.57)	(6.24)
See accompanying note to the financial results						

Notes:

1 Statement of Consolidated Unaudited Assets and Liabilities as at September 30, 2020

(₹ in crores)

Particulars	As at September 30, 2020	As at March 31, 2020
	(Unaudited)	(Audited)
ASSETS		
1 Financial assets		
i Cash and cash equivalents	21.40	677.90
ii Bank balance other cash and cash equivalents	72.87	46.10
iii Derivative financial instruments	0.51	4.29
iv Receivables		
(I) Trade receivables	17.75	17.95
(II) Other receivables	2.29	0.50
v Investments		
- Accounted for using equity method	7,088.25	6,259.84
- Others	513.50	421.00
vi Other financial assets	12.93	17.72
2 Non-financial assets		
i Current tax assets (net)	35.14	51.54
ii Deferred tax assets (net)	2.77	0.66
iii Property, plant and equipment	47.40	86.01
iv Right of Use Asset	39.31	45.64
v Goodwill	779.17	779.17
vi Other Intangible assets	5.88	7.50
vii Other non-financial assets	26.89	34.62
3 Assets directly associated with disposal group classified as held for sale	-	118.62
Total assets	8,666.06	8,569.06
LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial liabilities		
i Derivative financial instruments	0.03	0.42
ii Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	0.05	0.25
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15.42	13.49
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.37	0.03
iii Borrowings	98.78	-
iv Lease liabilities	42.15	47.34
v Other financial liabilities	40.76	60.93
2 Non-financial liabilities		
i Current tax liabilities (net)	25.12	11.68
ii Provisions	23.54	26.01
iii Deferred tax liabilities (net)	-	5.78
iv Other non-financial liabilities	23.54	37.86
3 Liabilities directly associated with disposal group classified as held for sale	-	44.58
4 EQUITY		
i Equity share capital	1,596.36	1,596.36
ii Other equity	6,795.94	6,724.33
Total liabilities and equity	8,666.06	8,569.06

IDFC Limited

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**2 Statement of Consolidated Unaudited Cash Flows for the half year ended September 30, 2020**

(₹ in crores)

Particulars	Half year ended September 30, 2020	Half year ended September 30, 2019
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax from:		
- Continuing operations	(133.79)	(347.47)
- Discontinued operations	0.07	(30.96)
- Other Comprehensive Income	222.61	(101.44)
Profit/(Loss) before tax including discontinued operations	88.89	(479.87)
Adjustments :		
Depreciation, amortisation and impairment	10.80	8.67
Net (gain) / loss on sale of property, plant and equipments	16.57	0.10
Impairment of financial instruments	(0.94)	(0.10)
Employee share based payment expense	2.05	2.57
Net (gain) / loss on sale of investments including fair valuation	(8.70)	(31.79)
Dividend income	(0.17)	(0.14)
Interest expense	7.35	0.09
Interest income	(8.39)	(9.43)
Operating profit before working capital changes	107.46	(509.90)
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	(1.58)	0.44
Loans	-	(0.06)
Other financial assets	8.56	32.73
Other non financial assets	7.71	26.23
Adjustments for increase/ (decrease) in operating liabilities		
Trade payables	6.08	(5.89)
Other financial liabilities	(21.25)	(10.88)
Other non financial liabilities	(16.79)	16.71
Cash generated from operations	(17.27)	59.28
Less : Income taxes paid (net of refunds)	(17.70)	(1.91)
Net cash inflow / (outflow) from operating activities	72.49	(452.53)
CASH FLOW FROM INVESTING ACTIVITIES :		
Assets directly associated with disposal group classified as held for sale	-	103.64
Proceeds from sale of disposal group classified as held for sale	86.00	-
(Increase)/ decrease in investments	(902.91)	(34.87)
(Increase)/ decrease property, plant and equipments	12.88	876.57
Right of use Assets	6.32	-
Dividends received	0.17	0.14
Interest Received	8.39	10.48
Investments / Maturity in Bank Fixed Deposit	(26.76)	(25.65)
Net cash inflow / (outflow) from investing activities	(815.91)	930.31
CASH FLOW FROM FINANCING ACTIVITIES :		
Dividend distribution tax	-	(24.66)
Decrease in borrowings	98.78	-
Interest paid	(7.35)	(0.09)
Increase / (decrease) in minority interest	(4.51)	-
Net cash inflow / (outflow) from financing activities	86.92	(24.75)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	(656.50)	453.03
Add : Cash and cash equivalents at beginning of the period	677.90	150.09
Cash and cash equivalents at end of the period	21.40	603.12

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

Particulars	For the quarter ended			For the half year ended		For the year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited (Refer note 15)	Unaudited	Unaudited (Refer note 15)	Unaudited	Unaudited	Audited
Segment Revenues						
- Financing	0.17	68.01	93.70	68.18	138.03	246.99
- Asset Management	78.70	82.25	83.92	160.95	179.83	335.42
- Others	0.38	0.65	0.65	1.03	3.35	4.23
Total Segment Revenues	79.25	150.91	178.27	230.16	321.21	586.64
Add: Unallocated Revenues	-	-	-	-	-	-
Less: Inter-segment Adjustments	7.49	(62.26)	(120.38)	(54.77)	(145.07)	(245.92)
Total Revenues	86.74	88.65	57.89	175.39	176.14	340.72
Segment Results						
- Financing	(7.27)	(7.52)	(32.97)	(14.79)	6.24	(18.89)
- Asset Management	45.05	42.06	34.13	87.11	63.50	107.63
- Others	(1.94)	(0.78)	(2.37)	(2.72)	4.06	(0.40)
Total Segment Results	35.84	33.76	(1.21)	69.60	73.80	88.34
Add / (Less): Unallocated	-	-	-	-	-	-
Add: Share of Profit from Associates accounted under Equity method	(169.04)	(34.35)	(369.71)	(203.39)	(421.27)	(1,004.45)
Profit before tax	(133.20)	(0.59)	(370.92)	(133.79)	(347.47)	(916.11)
Segment Assets						
- Financing	104.85	249.39	960.73	104.85	960.73	705.67
- Asset Management	1,399.90	1,339.29	1,476.63	1,399.90	1,476.63	1,389.98
- Others	35.16	84.06	70.02	35.16	70.02	42.77
Total Segment Assets	1,539.91	1,672.74	2,507.38	1,539.91	2,507.38	2,138.42
Unallocated						
- Banking	6,986.65	6,981.75	7,001.10	6,986.65	7,001.10	6,152.03
- Others	139.50	104.74	162.99	139.50	162.99	159.99
Disposal group held for sale	-	-	343.47	-	343.47	118.62
Total Assets	8,666.06	8,759.23	10,014.94	8,666.06	10,014.94	8,569.06
Segment Liabilities						
- Financing	138.18	238.59	507.05	138.18	507.05	39.15
- Asset Management	100.30	114.16	97.53	100.30	97.53	129.73
- Others	11.89	14.83	8.91	11.89	8.91	17.09
Total Segment Liabilities	250.37	367.58	613.49	250.37	613.49	185.97
Unallocated						
- Others	23.39	24.90	31.37	23.39	31.37	17.82
Disposal group held for sale	-	-	9.18	-	9.18	44.58
Total Liabilities	273.76	392.48	654.04	273.76	654.04	248.37
Capital Employed						
- Financing	(33.33)	10.80	453.68	(33.33)	453.68	666.52
- Asset Management	1,299.60	1,225.13	1,379.10	1,299.60	1,379.10	1,260.25
- Others	23.27	69.23	61.11	23.27	61.11	25.68
Total Segment Capital Employed	1,289.54	1,305.16	1,893.89	1,289.54	1,893.89	1,952.45
Unallocated						
- Banking	6,986.65	6,956.85	7,001.10	6,986.65	7,001.10	6,152.03
- Others	116.11	104.74	131.62	116.11	131.62	142.17
Disposal group held for sale	-	-	334.29	-	334.29	74.04
Total Capital Employed	8,392.30	8,366.75	9,360.90	8,392.30	9,360.90	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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- 4 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.
- 5 In the books of Holding company, Impairment of windmills amounting to ₹ 17.05 crore was done for the quarter ended June 30, 2020. Post sale of windmills in current quarter impairment loss has been reversed and realised loss of ₹ 16.57 crore has been recognised under other expenses.
- 6 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.

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 September 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.
- 7 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.
- 8 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.
- 9 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. The WOS is in the process of liquidation.
- 10 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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CIN No. L65191TN1997PLC037415

**11 IDFC FIRST Bank Limited, an associate of the Group has brought out the following points in its quarterly result:**

- i Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government for certain activities in a phased manner outside specified containment zones. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, 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. 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. While there has been some improvement in economic activities during the current quarter, the continued slowdown has led to a decrease in loan originations, the sale of third party products, and the efficiency in collection efforts. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic will continue to impact the Bank's results will depend on future developments, which are highly uncertain, including, among 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 us.

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.

In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, RBI through its circulars dated March 27, 2020 and April 17, 2020, permitted banks to grant a moratorium, on the payment of installments and / or interest, falling due between March 1, 2020 and May 31, 2020, to their borrowers classified as standard even if overdue, as on February 29, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Bank accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies.

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.

- ii 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.

12 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.**13 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 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 Deduction in the salary of staff amounting to Rs.158.52 lakhs has been made for the period from June 2020 to September, 2020 as per resolution of Board of Directors for deferment/cut for four months. However, this cut is subject to approval of study report by outside consultant still to be submitted.
- iii No Deferred Tax Assets has been created for the six months ended 30th September, 2020 due to uncertainty on account of COVID-19.
- iv Credit notes were issued in the FY 2019-20 at the year-end in respect of the two projects, where the management was not hopeful of full recovery. If this impact is taken in the half year ending 30th September, 2019 total revenue and profit before tax will be reduced by Rs.561 lakhs. Accordingly, Total Revenue from Operations will be revised to Rs.7242.12 lakhs and Profit before Tax will be revised to Rs.113.93 lakhs for the half year ended 30th September 2019.

14 The aforesaid consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 10, 2020.**15 The figures for the quarter ended September 30, 2020 and September 30, 2019 are the balancing figures between reviewed figures for the half year ended September 30, 2020 and September 30, 2019 and quarter ended June 30, 2020 and June 30, 2019 respectively.****16 Figures less than ₹ 50,000 have been denoted by β.****17 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: November 10, 2020

We have signed this statement for identification purposes only and this statement should be read in conjunction with our report dated November 10, 2020.

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

Partner

Membership Number : 101119

Place: Mumbai

Date: November 10, 2020