

January 31, 2020

## IDFC Limited: Rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	500.00	0.00	[ICRA]A1+; Withdrawn
<b>Total</b>	<b>500.00</b>	<b>0.00</b>	

\* Instrument details are provided in Annexure-1

### Rationale

The rating for the commercial paper programme of IDFC Limited has been withdrawn as there is no amount outstanding against the rated instrument. The rating has been withdrawn at the request of the company. This is in accordance with ICRA's Policy on Withdrawal and Suspension.

### Key rating drivers: Not applicable

### Liquidity position: Not applicable

### Rating Sensitivities: Not applicable

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">ICRA's Policy on Withdrawal and Suspension of Credit Rating</a>
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

### About the company

In April 2014, IDFC Limited was granted in-principle approval by the Reserve Bank of India to set up a new private sector bank, as per the Guidelines for Licensing of New Banks in the Private Sector. Subsequently, a scheme of arrangement was filed with the Madras High Court for the demerger of a financial undertaking (the lending business of IDFC) to IDFC Bank. All the requisite approvals were obtained, and the Madras High Court approved the demerger by its order dated June 25, 2015. IDFC Limited, currently registered as an NBFC-IC, holds a 100% stake in IDFC Non-operating Financial Holding Company (IDFC FHCL), which, in turn, held equity in IDFC First Bank (merged entity of IDFC Bank and Capital First Limited), IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC Securities Limited and IDFC Infrastructure Finance Limited (IDFC IFL) as on March 31, 2019. However, IDFC has sold its business housed under IDFC Alternatives Limited on a lump sum basis in FY2019, while it is in the process of selling IDFC Securities Limited and its stake in IDFC IFL in Q4FY2020. Also, being an NBFC-IC, IDFC has the flexibility to buy and sell capital market instruments,

which provide an additional source of revenue. However, the company would only be involved in selective investment opportunities.

On a standalone basis, the company reported a profit after tax (PAT) of Rs. 127.89 crore in FY2019 compared with PAT of Rs. 184 crore in FY2018. For H1 FY2020, the company reported PAT of Rs. 28.34 crore (as per IND AS).

### Key financial indicators (audited) - Standalone

	FY2018 Ind AS	FY2019 Ind AS	H1FY2020 Ins AS
Total income	242.28	169.19	57.54
Profit after tax	184.00	127.89	28.34
Net worth	9,760.59	9,778.74	9,327.02
Total managed portfolio	9,823.24	9,820.71	9,856.84
Total assets	9,823.24	9,820.71	9,856.84
Return on assets	1.87%	1.30%	0.58%
Return on equity	1.90%	1.31%	0.59%
Gross NPA	-	-	-
Capital adequacy ratio	86.67%	92.08%	NA
Gearing	0.00x	0.00x	0.00x

Source: Company, ICRA research; All ratios are as per ICRA calculations

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for last three years:

Current Rating (FY2020)					Chronology of Rating History of the Past 3 Years				
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	FY2019	FY2018			FY2017
				31-Jan-20	31-Dec-18	3-Nov-17	22-Sep-17	13-Jul-17	4-Aug-16
1 Commercial paper programme	Short Term	500.00	NA	[ICRA]A1+ ; withdrawal	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	-

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Commercial Paper Programme	NA	NA	7-365 days	500.00	[ICRA]A1+; withdrawn

Source: IDFC Limited

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