

IDFC Limited

Instrument	Amount Rated (In Rs Crore)	Rating Action July 2016
Commercial Paper Programme	1,500	[ICRA]A1+/ Assigned

ICRA has assigned a rating of [ICRA]A1+ (pronounced ICRA A one plus) to the Rs 1,500 crore of Commercial Paper programme of IDFC Limited (IDFC)¹.

The rating factors in IDFC Limited's standing and its considerable financial flexibility, by virtue of being the main holding company for the IDFC group. IDFC holds 100% stake in IDFC Financial Holding Company Limited (IDFC FHCL), which in turn holds equity in IDFC Bank (rated [ICRA]AAA(stable)/ [ICRA]A1+ by ICRA), IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC Securities Limited and IDFC Infra Debt Fund Limited. The good market value of holdings in IDFC Bank and the strategic holdings in the unlisted companies of the group strengthen the liquidity profile of the company. This coupled with investments in mutual funds and cash and cash equivalents of around Rs. 500 crore provides further cushion on liquidity front. The rating also factors in the capitalisation levels of IDFC Limited, with a net worth of Rs 9,589 crores on a standalone basis as on March 31, 2016. ICRA expects the company to maintain prudent capitalisation levels going forward as well.

IDFC received a Non Banking Financial Company – Investment Company (NBFC-IC) license from the RBI in June 2016. The company by virtue of the license can buy and sell securities. IDFC will look at exploring opportunities for short term in the debt capital markets.

Company Profile:

In April 2014, IDFC Limited was granted an 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 Demerger of Financial Undertaking (the lending business of IDFC) to IDFC Bank. All the requisite approvals were obtained and the Madras High Court approved this demerger by its order dated June 25, 2015.

IDFC Limited, currently registered as an NBFC- IC holds 100% stake in IDFC Non Operating Financial Holding Company (IDFC FHCL) which in turn, holds equity in IDFC Bank, IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC Securities Limited and IDFC Infra Debt Fund Limited.

The company reported a PAT of Rs. 141.70 crore in FY2016 as compared to a PAT of Rs. 67.00 crore in FY2015. This profit is from continuing operations. If we were add the discontinued operations, then overall in FY16 the company reported a loss of Rs 1162 crores. The loss was on account of the specific provisions created against identified assets of Rs 2500 crores prior to conversion to bank.

July 2016

For further details please contact:

Analyst Contacts:

Mr. Karthik Srinivasan (Tel No +91 22 6114 3444)
karthiks@icraindia.com

Relationship Contacts:

Mr. L. Shivakumar, (Tel. No. +91 22 6114 3406)
shivakumar@icraindia.com

¹ For complete rating scale and definitions please refer to ICRA's Website www.icra.in or other ICRA Rating Publications



© Copyright, 2016, ICRA Limited. All Rights Reserved

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500