

September 18, 2015

Manager – Listing Department  
National Stock Exchange of India Limited  
Bandra Kurla Complex  
Bandra (E)  
Mumbai-400051  
Fax: 022-26598238

Manager – Listing Department  
BSE Ltd  
1<sup>st</sup> Floor, P.J. Towers,  
Dalal Street  
Mumbai - 400 001  
Fax: 022-22722061

Dear Sir,

Further to our filing of Financials on July 30, 2015, the Regulator has now granted the approval to utilize non-distributable Statutory Reserves up to Rs. 2,500 crore for creation of specific provisions against stressed assets. These additional provisions are being created after a careful examination of the stressed assets portfolio and in accordance with our philosophy of prudent risk management and transparency. These provisions are far in excess of the regulatory requirement and exceptional in nature as indicated in our investor call post our quarterly results for quarter ended June 30.

In line with Generally Accepted Accounting Principles, these additional provisions will be charged to the Statement of Profit and Loss in the current quarter resulting in a significant one-time loss for the period. However, this will not impact the distributable profits since an equivalent amount will be transferred from the non distributable Statutory Reserves, as approved by the Regulator.

Kindly take this on record.

Thanking you,

Yours faithfully,

For IDFC Limited



**Mahendra N Shah**  
Company Secretary

