

Deloitte Haskins & Sells

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF IDFC LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **IDFC LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") and its share of the profit of its associates for the quarter ended June 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 8 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. 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 misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The Statement includes the results of the following entities:

Subsidiaries: IDFC Alternatives Limited (formerly, IDFC Private Equity Company Limited), IDFC Finance Limited, IDFC Primary Dealership Company Limited, IDFC Projects Limited, IDFC Securities Limited, IDFC Capital Limited, IDFC Distribution Company Limited, IDFC Project Equity Company Limited, IDFC Investment Advisors Limited, IDFC Trustee Company Limited, IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC Pension Fund Management Company Limited, IDFC Capital (Singapore) Pte. Limited - Singapore, IDFC Securities (Singapore) Pte. Limited - Singapore, IDFC Fund of Funds Limited - Guernsey, IDFC Capital (USA) Inc. - USA and IDFC Investment Managers (Mauritius) Limited - Mauritius.

Associates: Feedback Infra Private Limited and Jetpur Somnath Tollways Limited.

4. Attention is invited to Note 7 of the Statement regarding figures for the quarter ended March 31, 2013 being balancing figures between the audited figures in respect of the full financial year 2012-13 and the published year to date figures up to the nine months ended December 31, 2012.

5. We did not review the interim financial results of four subsidiaries included in the consolidated financial results, whose interim financial results reflect, total revenues of ₹ 6,690 lakhs for the quarter ended June 30, 2013, and total profit after tax of ₹ 1,989 lakhs for the quarter ended June 30, 2013, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of ₹ 1 lakh for the quarter ended June 30, 2013,



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as considered in the consolidated financial results, in respect of an associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors.

6. The consolidated financial results includes the interim financial results of five subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect, total revenue of ₹ 1 lakh for the quarter ended June 30, 2013, and total loss after tax of ₹ 335 lakhs for the quarter ended June 30, 2013, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of ₹ 26 lakhs for the quarter ended June 30, 2013, as considered in the consolidated financial results, in respect of an associate, based on their interim financial results which have not been reviewed by their auditors.
7. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 5 above and except for the effects of the matter described in paragraph 6 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter ended June 30, 2013 of the Statement, from the details furnished by the Registrars. We are informed that there is no promoter or promoter group of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.117366W)



P. R. Ramesh

P. R. Ramesh
Partner
(Membership No.70928)

CHENNAI, ²⁴ July, 2013
PRR/PG/2013-14

PART I - Statement of unaudited consolidated financial results for the quarter ended June 30, 2013

Particulars	Quarter ended 30.06.2013 (Reviewed)	Quarter ended 31.03.2013 (see note 7)	Quarter ended 30.06.2012 (Reviewed)	Year ended 31.03.2013 (Audited)
	(` in lakhs)			
1 Income from operations				
(a) Income from operations	2294,39	2216,79	1834,43	8126,80
(b) Other operating income	3,61	72	6,33	11,79
Total Income from operations (net)	2298,00	2217,51	1840,76	8138,59
2 Expenses				
(a) Employee benefits expense	68,52	77,96	65,89	291,64
(b) Other expenses	62,30	69,37	41,55	203,36
(c) Provisions and contingencies	59,17	164,72	102,55	349,63
(d) Depreciation and amortisation expense	7,62	8,61	8,55	34,40
Total Expenses	197,61	320,66	218,54	879,03
3 Profit from operations before other income, finance costs and exceptional items (1-2)	2100,39	1896,85	1622,22	7259,56
4 Other income	57	90	1,41	9,83
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	2100,96	1897,75	1623,63	7269,39
6 Finance costs	1277,52	1204,33	1070,59	4675,83
7 Exceptional items	-	-	-	-
8 Profit from ordinary activities before tax (5-6+7)	823,44	693,42	553,04	2593,56
9 Tax expense (net)	262,71	164,57	171,34	751,13
10 Net profit from ordinary activities after tax (8-9)	560,73	528,85	381,70	1842,43
11 Extraordinary items (net of tax)	-	-	-	-
12 Net profit after tax before minority interest and share of profit / (loss) of associates (10+11)	560,73	528,85	381,70	1842,43
13 Share of profit / (loss) of associates (equity method)	27	67	(29)	1,86
14 Minority interest	3,69	3,82	1,63	8,09
15 Net Profit after tax, minority interest and share of profit of associates (12+13-14)	557,31	525,70	379,78	1836,20
16 Paid-up equity share capital (see note 5) (Face value ₹ 10/- each)	1514,99	1514,73	1513,32	1514,73
17 Reserves excluding revaluation reserves				12167,89
18 Earnings per share (of ₹ 10/- each) (not annualised)				
(a) Basic (₹) (see note 5)	3.68	3.47	2.51	12.13
(b) Diluted (₹) (see note 5)	3.66	3.44	2.50	12.06



for

PART II - Select information for the quarter ended June 30, 2013

Particulars	Quarter ended 30.06.2013 (Reviewed)	Quarter ended 31.03.2013 (see note 7)	Quarter ended 30.06.2012 (Reviewed)	Year ended 31.03.2013 (Audited)
[A] Particulars of shareholding				
Public shareholding				
- Number of shares	151,49,91,277	151,47,27,629	151,33,19,712	151,47,27,629
- Percentage of shareholding	100%	100%	100%	100%
Promoters & promoter group shareholding				
(a) Pledged/encumbered				
- Number of shares	NA	NA	NA	NA
- Percentage of shares	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)				
- Percentage of shares	NA	NA	NA	NA
(as a % of the total share capital of the Company)				
(b) Non-encumbered				
- Number of shares	NA	NA	NA	NA
- Percentage of shares	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)				
- Percentage of shares	NA	NA	NA	NA
(as a % of the total share capital of the Company)				

[B] Investor complaints for the quarter ended June 30, 2013

1 Shareholders' complaints :

Pending at the beginning of the quarter	Nil
Received during the quarter	106
Disposed off during the quarter	106
Remaining unresolved at the end of the quarter	Nil

2 Infrastructure retail bondholders' complaints :

Pending at the beginning of the quarter	Nil
Received during the quarter	4,896
Disposed off during the quarter	4,896
Remaining unresolved at the end of the quarter	Nil



1 The disclosure in terms of 'Accounting Standard 17 on 'Segment Reporting' as notified under the Companies (Accounting Standards) Rules, 2006.

Particulars	Quarter ended 30.06.2013 (Reviewed)	Quarter ended 31.03.2013 (see note 7)	Quarter ended 30.06.2012 (Reviewed)	Year ended 31.03.2013 (Audited)
	(Reviewed)	(see note 7)	(Reviewed)	(Audited)
Segment revenue				
Financing	2183.79	2086.21	1764.38	7774.63
Others *	114.43	148.51	76.57	390.40
	2298.22	2234.72	1840.95	8165.03
Less: Inter segment revenue	(22)	(17.21)	(19)	(26.44)
Income from operations	2298.00	2217.51	1840.76	8138.59
Segment results				
Financing	785.03	628.56	543.18	2464.52
Others *	38.38	64.86	9.14	122.27
Unallocated	3	-	72	6.77
Profit before tax	823.44	693.42	553.04	2593.56
Capital employed (Segment assets - Segment liabilities)				
Financing	12305.51	11724.89	10996.36	11724.89
Others *	1455.72	1424.01	1253.50	1424.01
Unallocated	521.41	559.41	452.78	559.41
Total Capital employed	14282.64	13708.31	12702.64	13708.31

* Others comprise asset management, investment banking and institutional broking.

2 The analytical ratios and key data relating to standalone results of IDFC Limited are as under:

Particulars	Standalone			
	Quarter ended 30.06.2013 (Reviewed)	Quarter ended 31.03.2013 (see note 7)	Quarter ended 30.06.2012 (Reviewed)	Year ended 31.03.2013 (Audited)
(i) Capital adequacy ratio	23.04%	22.10%	21.83%	22.10%
(ii) Earnings per share (EPS)				
(a) Basic (₹) (see note 5)	3.40	2.98	2.54	11.66
(b) Diluted (₹) (see note 5)	3.38	2.95	2.53	11.59
(iii) NPA Ratio (see note 3)				
(a) Amount of gross non performing assets	181.67	85.12	150.26	85.12
(b) Amount of net non performing assets	112.46	28.91	72.68	28.91
(c) % of gross non performing assets to gross assets	0.32%	0.15%	0.30%	0.15%
(d) % of net non performing assets to net assets	0.20%	0.05%	0.14%	0.05%
(iv) Return on assets (annualised)	2.81%	2.61%	2.47%	2.63%
(v) Turnover (Income from operations)*	2138.04	2083.74	1764.44	7765.30
(vi) Profit before tax *	753.54	591.24	549.59	2467.98
(vii) Profit after tax *	514.54	451.04	383.89	1764.98
* Income from operations for the year ended March 31, 2013 include dividend from subsidiary companies of ₹ 25.51 lakhs.				

(₹ in lakhs)



- 3 The disclosures for NPA referred to in note 2 (iii) above correspond to non performing advances.
- 4 The standalone financial results are available on the Company's website (www.idfc.com) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 5 During the quarter ended June 30, 2013, the Company issued 2,63,648 equity shares of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.
- 6 The above results were reviewed by the Audit Committee and approved by the Board of Directors and have been subjected to a Limited Review by the Statutory Auditors.
- 7 The figures for the quarter ended March 31, 2013 are the balancing figures between audited figures of the full financial year 2012-13 and the published year to date figures up-to the nine months ended December 31, 2012.
- 8 The figures for the previous periods / year have been regrouped wherever necessary, in order to make them comparable.

For Deloitte Haskins & Sells


P. R. Ramesh
Partner

Chennai, July 29, 2013



For and on behalf of the Board


Rajiv B. Lall
Executive Chairman