

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **IDFC LIMITED** ("the Company") 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 5 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 misstatement. 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. Attention is invited to Note 8 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.
4. Based on our review conducted as stated 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.
5. 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, 29th July, 2013
PRR/PG/2013-14

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

(* in lakhs)

Particulars	Quarter ended 30.06.2013 (Reviewed)	Quarter ended 31.03.2013 (see note 8)	Quarter ended 30.06.2012 (Reviewed)	Year ended 31.03.2013 (Audited)
1 Income from operations				
(a) Income from operations (see note 1)	2134,43	2083,02	1758,11	7753,51
(b) Other operating income	3,61	72	6,33	11,79
Total income from operations	2138,04	2083,74	1764,44	7765,30
2 Expenses				
(a) Employee benefits expense	31,48	42,88	23,38	136,99
(b) Other expenses	23,56	35,47	15,46	84,77
(c) Provisions and contingencies	59,13	211,10	103,22	394,11
(d) Depreciation and amortisation expense	6,02	6,86	6,82	27,45
Total expenses	120,19	296,31	148,88	643,32
3 Profit from operations before other income, finance costs and exceptional items (1-2)	2017,85	1787,43	1615,56	7121,98
4 Other income (see note 2)	49	45	4,40	11,19
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	2018,34	1787,88	1619,96	7133,17
6 Finance costs	1264,80	1196,64	1070,37	4665,19
7 Exceptional items	-	-	-	-
8 Profit from ordinary activities before tax (5-6+7)	753,54	591,24	549,59	2467,98
9 Tax expense (net)	239,00	140,20	165,70	703,00
10 Net profit from ordinary activities after tax (8-9)	514,54	451,04	383,89	1764,98
11 Extraordinary items (net of tax)	-	-	-	-
12 Net profit after tax (10+11)	514,54	451,04	383,89	1764,98
13 Paid-up equity share capital (see note 4) (Face value ₹ 10/- each)	1514,99	1514,73	1513,32	1514,73
14 Reserves excluding revaluation reserves				11942,58
15 Analytical ratios				
(i) Capital adequacy ratio	23.04%	22.10%	21.83%	22.10%
(ii) Earnings per share (of ₹ 10/- each) (not annualised)				
(a) Basic ₹ (see note 4)	3.40	2.98	2.54	11.66
(b) Diluted ₹ (see note 4)	3.38	2.95	2.53	11.59
(iii) NPA Ratio (see note 5)				
(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%



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 8)	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			

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IDFC Limited



Notes:

- 1 Income from operations for the year ended March 31, 2013 include dividend from subsidiary companies of ₹ 25,51 lakhs.
- 2 Other income for the year ended March 31, 2013 include profit on sale of 100% equity shares in IDFC Project Equity Company Limited to IDFC Alternatives Limited amounting to ₹ 3,73 lakhs.
- 3 The Company's main business is financing by way of loans. All other activities revolve around the main business. As such, there are no reportable segments as per Accounting Standard 17 on 'Segment Reporting' as notified under the Companies (Accounting Standards) Rules, 2006.
- 4 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.
- 5 The disclosures for NPA referred to in point 15 (iii) above correspond to non performing advances.
- 6 Key data relating to the consolidated results of IDFC Limited are as under:

Particulars	Quarter ended 30.06.2013 (Reviewed)	Quarter ended 31.03.2013 (see note 8)	Quarter ended 30.06.2012 (Reviewed)	Year ended 31.03.2013 (Audited)
	(₹ in lakhs)			
Income from operations	2298,00	2217,51	1840,76	8138,59
Net profit after tax	557,31	525,70	379,78	1836,20
Earnings per share				
(a) Basic (₹)	3.68	3.47	2.51	12.13
(b) Diluted (₹)	3.66	3.44	2.50	12.06

7 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.

8 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.

9 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

P.R. Ramesh
Partner
Chennai, July 29, 2013

For and on behalf of the Board

Rajiv B. Lall

Rajiv B. Lall
Executive Chairman

