

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
IDFC LIMITED (FORMERLY INFRASTRUCTURE DEVELOPMENT FINANCE
COMPANY LIMITED)**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **IDFC LIMITED (FORMERLY INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED)** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") and its share of the profit of associate companies for the quarter and the nine months ended 31st December, 2012 ("the Statement"). 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 these financial results based on our review.

2. 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 Fund of Funds Limited - Guernsey, IDFC Capital (USA) Inc. - USA and IDFC Investment Managers (Mauritius) Limited - Mauritius.

Associates: Feedback Infrastructure Services Private Limited, Jetpur Somnath Tollways Limited and Dheeru Powergen Limited.

3. We conducted our review of the figures for the nine months ended 31st December, 2012 contained in 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.
4. The Statement reflects the Group's share of Revenues of ₹ 12,263 lakhs and Profit after Tax of (net) ₹ 2,695 lakhs relating to four subsidiaries and financial results of two associates which reflect the Group's net share of Profit after Tax of ₹ 6 lakhs whose

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results have been reviewed by other auditors. Accordingly, our assurance on the Statement in so far as it relates to the amounts included in respect of these subsidiaries and associates is based solely on the reports of such other auditors which have been furnished to us.

5. The financial results of four subsidiaries which reflect the Group's share of Revenue of ₹ 66 lakhs and the Group's share of Loss after Tax (net) of ₹ 1,061 lakhs and the financial results of one associate which reflect the Group's net share of Profit after Tax of ₹ 113 lakhs have not been reviewed by their auditors.
6. Based on our review and read with our comments in paragraph 4 above and subject to our comments in paragraph 5 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.
7. Further, we also report that we have traced the number of shares as well as the percentage of shareholdings in respect of the aggregate amount of public shareholdings in terms of Clause 35 of the Listing Agreements from the details furnished by the Management and the particulars relating to the undisputed investor complaints 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
(Registration No. 117366W)

P. R. Ramesh

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

MUMBAI, ¹³ February, 2013
PRR/PG/SCR/2012-13

PART I - Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2012							(₹ in lakhs)
Particulars	Quarter ended 31.12.2012	Quarter ended 30.09.2012	Quarter ended 31.12.2011	Nine months ended 31.12.2012	Nine months ended 31.12.2011	Year ended 31.03.2012	
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)	
1 Income from operations							
(a) Income from operations (see note 3)	203,868	203,690	155,177	591,001	461,118	633,039	
(b) Other operating income	298	176	300	1,107	1,049	1,172	
Total Income from operations	204,166	203,866	155,477	592,108	462,167	634,211	
2 Expenses							
(a) Employee benefits expense	7,959	6,820	7,272	21,368	21,475	30,471	
(b) Other expenses	4,512	4,732	4,375	13,399	12,772	17,844	
(c) Provisions and contingencies	5,183	3,053	9,778	18,491	20,083	28,458	
(d) Depreciation and amortisation expense	863	861	963	2,579	2,876	3,844	
Total Expenses	18,517	15,466	22,388	55,837	57,206	80,617	
3 Profit from operations before other income, finance costs and exceptional items (1-2)	185,649	188,400	133,089	536,271	404,961	553,594	
4 Other income (see note 4)	592	160	8,447	893	9,222	9,289	
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	186,241	188,560	141,536	537,164	414,183	562,883	
6 Finance costs	121,105	118,986	88,007	347,150	245,998	345,616	
7 Exceptional items	-	-	-	-	-	-	
8 Profit from ordinary activities before tax (5-6±7)	65,136	69,574	53,529	190,014	168,185	217,267	
9 Tax expense (net)	19,647	21,875	15,367	58,656	46,290	62,186	
10 Net profit from ordinary activities after tax (8-9)	45,489	47,699	38,162	131,358	121,895	155,081	
11 Extraordinary items (net of tax)	-	-	-	-	-	-	
12 Net profit after tax before share of minority interest and share of profit from associates (10±11)	45,489	47,699	38,162	131,358	121,895	155,081	
13 Share of profit from associates (equity method)	58	90	58	119	121	187	
14 Share of minority interest	40	224	99	427	98	(133)	
15 Net profit after tax, share of minority interest and share of profit from associates (12+13-14)	45,507	47,565	38,121	131,050	121,918	155,401	
16 Paid-up equity share capital (see note 5)	151,437	151,332	146,354	151,437	146,354	151,236	
(Face value ₹ 10/- each)						1,077,268	
17 Reserves excluding revaluation reserves							
18 Earnings per share							
(of ₹ 10/- each)(not annualised)							
(a) Basic (₹) (see note 5)	3.01	3.14	2.50	8.66	8.03	10.24	
(b) Diluted (₹) (see note 5)	2.98	3.14	2.50	8.62	8.01	10.20	



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PART II - Select information for the quarter and nine months ended December 31, 2012						
Particulars	Quarter ended 31.12.2012	Quarter ended 30.09.2012	Quarter ended 31.12.2011	Nine months ended 31.12.2012	Nine months ended 31.12.2011	Year ended 31.03.2012
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
[A] Particulars of shareholding						
Public shareholding						
- Number of shares	1,514,373,497	1,513,319,712	1,463,537,336	1,514,373,497	1,463,537,336	1,512,362,768
- Percentage of shareholding	100%	100%	100%	100%	100%	100%
Promoters & promoter group shareholding						
(a) Pledged/encumbered						
- Number of shares	NA	NA	NA	NA	NA	NA
- Percentage of shares	NA	NA	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)						
- Percentage of shares	NA	NA	NA	NA	NA	NA
(as a % of the total share capital of the Company)						
(b) Non-encumbered						
- Number of shares	NA	NA	NA	NA	NA	NA
- Percentage of shares	NA	NA	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)						
- Percentage of shares	NA	NA	NA	NA	NA	NA
(as a % of the total share capital of the Company)						

[B] Investor complaints for the quarter ended December 31, 2012**1 Shareholders' complaints :**

No. of complaints pending at the beginning of the quarter	Nil
No. of complaints received during the quarter	138
No. of complaints disposed off during the quarter	138
No. of complaints remaining unresolved at the end of the quarter	Nil

2 Infrastructure retail bondholders' complaints :

No. of complaints pending at the beginning of the quarter	Nil
No. of complaints received during the quarter	4,024
No. of complaints disposed off during the quarter	4,024
No. of complaints remaining unresolved at the end of the quarter	Nil


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Notes:

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

	Consolidated					
	Quarter ended 31.12.2012 (Reviewed)	Quarter ended 30.09.2012 (Reviewed)	Quarter ended 31.12.2011 (Reviewed)	Nine months ended 31.12.2012 (Reviewed)	Nine months ended 31.12.2011 (Reviewed)	Year ended 31.03.2012 (Audited)
Segment revenue						
Financing	196,856	194,698	149,227	567,985	444,008	609,811
Others *	9,803	9,370	7,149	26,837	24,343	33,344
	206,659	204,068	156,376	594,822	468,351	643,155
	(2,493)	(202)	(899)	(2,714)	(6,184)	(8,944)
Less: Inter segment revenue	204,166	203,866	155,477	592,108	462,167	634,211
Income from operations						
Segment results						
Financing	62,390	66,316	52,396	183,017	162,584	211,343
Others *	2,237	3,162	1,133	6,320	5,473	5,790
Unallocated	509	96	-	677	128	134
Profit before tax	65,136	69,574	53,529	190,014	168,185	217,267
Capital employed (Segment assets - Segment liabilities)						
Financing	1,158,011	1,131,295	1,068,128	1,158,011	1,068,128	1,059,329
Others *	157,362	139,734	127,827	157,362	127,827	122,130
Unallocated	48,170	46,398	49,020	48,170	49,020	48,883
Total Capital employed	1,363,543	1,317,427	1,244,975	1,363,543	1,244,975	1,230,342

* 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 31.12.2012 (Reviewed)	Quarter ended 30.09.2012 (Reviewed)	Quarter ended 31.12.2011 (Reviewed)	Nine months ended 31.12.2012 (Reviewed)	Nine months ended 31.12.2011 (Reviewed)	Year ended 31.03.2012 (Audited)
(i) Capital adequacy ratio	22.47%	21.49%	21.89%	22.47%	21.89%	20.79%
(ii) Earnings per share (EPS)						
(a) Basic (₹)	3.09	3.05	2.55	8.68	8.22	10.57
(b) Diluted (₹)	3.07	3.04	2.54	8.64	8.19	10.54
(iii) NPA Ratio (see note 6)						
(a) Amount of gross NPA	14,259	15,026	14,832	14,259	14,832	14,832
(b) Amount of net NPA	6,570	7,267	9,643	6,570	9,643	7,143
(c) % of gross NPA to gross advances	0.26%	0.28%	0.33%	0.26%	0.33%	0.30%
(d) % of net NPA to net advances	0.12%	0.13%	0.22%	0.12%	0.22%	0.15%

(₹ in lakhs)




Particulars	Standalone					
	Quarter ended 31.12.2012 (Reviewed)	Quarter ended 30.09.2012 (Reviewed)	Quarter ended 31.12.2011 (Reviewed)	Nine months ended 31.12.2012 (Reviewed)	Nine months ended 31.12.2011 (Reviewed)	Year ended 31.03.2012 (Audited)
(iv) Return on assets (annualised)	2.69%	2.71%	2.79%	2.64%	3.17%	2.97%
(v) Turnover (Total Income from operations)*	196,918	194,794	149,260	568,156	444,167	609,998
(vi) Profit before tax *	65,727	66,988	53,428	187,674	168,526	220,136
(vii) Profit after tax *	46,867	46,138	38,708	131,394	124,606	160,296
* Income from operations for the nine months ended December 31, 2012 include dividend from subsidiary companies of ₹ 2,551 lakhs (for the nine months ended December 31, 2011 ₹ 5,927 lakhs and for the year ended March 31, 2012 ₹ 6,927 lakhs).						

- 3 Income from operations for the nine months ended December 31, 2012 include income from sale of investments in equity & preference shares and dividend of ₹ 5,585 lakhs (for the nine months ended December 31, 2011 ₹ 23,576 lakhs and for the year ended March 31, 2012 ₹ 26,829 lakhs).
- 4 Other Income for the nine months ended December 31, 2011 and for the year ended March 31, 2012 include profit on sale of 25% equity shares in IDFC Asset Management Company Limited and IDFC AMC Trustee Company Limited amounting to ₹ 8,378 lakhs.
- 5 During the quarter ended December 31, 2012, the Company issued 1,053,785 equity shares of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.
- 6 The disclosures for NPA referred to in note 2 (iii) above correspond to non performing advances.
- 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 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).
- 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
Mumbai, February 1, 2013



For and on behalf of the Board

Rajiv B. Lal
Rajiv B. Lal
Vice Chairman & Managing Director
Dubai, February 1, 2013