

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

We have reviewed the accompanying statement of Unaudited Financial Results of **IDFC LIMITED (FORMERLY INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED)** ("the Company") for the quarter and nine months ended 31st December, 2012 ("the Statement"). The 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.

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 the Company's 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.

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.

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 in terms of Clause 35 of the Listing Agreements from the details furnished by the Management and the particulars relating to 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
Partner
(Membership No. 70928)

MUMBAI, 1st February, 2013
PRR/PG/SCR/2012-13

PART I - Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2012					
Particulars	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)
(₹ in lakhs)					
1 Income from operations					
(a) Income from operations (see note 1)	196,620	194,618	148,966	567,049	608,826
(b) Other operating income	298	176	294	1,107	1,172
Total income from operations	196,918	194,794	149,260	568,156	609,998
2 Expenses					
(a) Employee benefits expense	3,680	3,393	4,576	9,411	15,239
(b) Other expenses	1,512	1,872	1,677	4,930	7,190
(c) Provisions and contingencies	5,032	2,947	9,765	18,301	28,385
(d) Depreciation and amortisation expense	690	687	785	2,059	3,128
Total expenses	10,914	8,899	16,803	34,701	53,942
3 Profit from operations before other income, finance costs and exceptional items (1-2)	186,004	185,895	132,457	533,455	556,056
4 Other income (see note 2)	570	64	8,965	1,074	9,603
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	186,574	185,959	141,422	534,529	565,659
6 Finance costs	120,847	118,971	87,994	346,855	345,523
7 Exceptional items	-	-	-	-	-
8 Profit from ordinary activities before tax (5-6+7)	65,727	66,988	53,428	187,674	220,136
9 Tax expense (net)	18,860	20,850	14,720	56,280	59,840
10 Net profit from ordinary activities after tax (8-9)	46,867	46,138	38,708	131,394	160,296
11 Extraordinary items (net of tax)	-	-	-	-	-
12 Net profit after tax (10+11)	46,867	46,138	38,708	131,394	160,296
13 Paid-up equity share capital (see note 4)	151,437	151,332	146,354	151,437	151,236
(Face value ₹ 10/- each)					
14 Reserves excluding revaluation reserves					1,062,761
15 Analytical ratios					
(i) Capital adequacy ratio	22.47%	21.49%	21.89%	22.47%	20.79%
(ii) Earnings per share (of ₹ 10/- each) (not annualised)					
(a) Basic (₹) (see note 4)	3.09	3.05	2.55	8.68	10.57
(b) Diluted (₹) (see note 4)	3.07	3.04	2.54	8.64	10.54
(iii) NPA Ratio (see note 5)					
(a) Amount of gross NPA	14,259	15,026	14,832	14,259	14,832
(b) Amount of net NPA	6,570	7,267	9,643	6,570	7,143
(c) % of gross NPA to gross advances	0.26%	0.28%	0.33%	0.26%	0.30%
(d) % of net NPA to net advances	0.12%	0.13%	0.22%	0.12%	0.15%
(iv) Return on assets (annualised)	2.69%	2.71%	2.79%	2.64%	2.97%



PART II - Select information for the quarter and nine months ended December 31, 2012					
Particulars	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)
[A] Particulars of shareholding Public shareholding - Number of shares - Percentage of shareholding Promoters & promoter group shareholding (a) Pledged/encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total share capital of the Company) (b) Non-encumbered - Number of shares - Percentage of shares (as a % of the total shareholding of promoter and promoter group) - Percentage of shares (as a % of the total share capital of the Company)	1,514,373,497 100%	1,513,319,712 100%	1,463,537,336 100%	1,514,373,497 100%	1,463,537,336 100%
		NA	NA	NA	NA
		NA	NA	NA	NA
		NA	NA	NA	NA
		NA	NA	NA	NA
		NA	NA	NA	NA
		NA	NA	NA	NA
		NA	NA	NA	NA
		NA	NA	NA	NA
		NA	NA	NA	NA
[B] Investor complaints for the quarter ended December 31, 2012 1 Shareholders' complaints : No. of complaints pending at the beginning of the quarter No. of complaints received during the quarter No. of complaints disposed off during the quarter No. of complaints remaining unresolved at the end of the quarter 2 Infrastructure retail bondholders' complaints : No. of complaints pending at the beginning of the quarter No. of complaints received during the quarter No. of complaints disposed off during the quarter No. of complaints remaining unresolved at the end of the quarter					
			Nil		
			138		
			138		
			Nil		
			Nil		
			4,024		
			4,024		
			Nil		



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Notes:

- 1 (a) 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).
(b) Income from operations for the nine months ended December 31, 2012 include income from sale of investments in equity & preference shares and dividend (other than subsidiaries) of ₹ 5,666 lakhs (for the nine months ended December 31, 2011 ₹ 23,493 lakhs and for the year ended March 31, 2012 ₹ 26,910 lakhs).
- 2 Other income for the nine months ended December 31, 2012 include profit on sale of 100% equity shares in IDFC Project Equity Company Limited to IDFC Alternatives Limited amounting to ₹ 373 lakhs. 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 ₹8,900 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 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.
- 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 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)
Total Income from operations	204,166	203,866	155,477	592,108	462,167	634,211
Net profit after tax	45,507	47,565	38,121	131,050	121,918	155,401
Earnings per share						
(a) Basic (₹)	3.01	3.14	2.50	8.66	8.03	10.24
(b) Diluted (₹)	2.98	3.14	2.50	8.62	8.01	10.20

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 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. Lall

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