

INDEPENDENT AUDITORS' REVIEW 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"), its subsidiaries (the Company and its subsidiaries constitute "the Group") and its share of the profit of associates for the Quarter and Nine Months ended December 31, 2014 ("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 7 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. The Statement includes the results of the following entities:

Subsidiaries: IDFC Alternatives Limited, IDFC Finance Limited, IDFC Primary Dealership Company Limited, IDFC Projects Limited, IDFC Securities 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 Housing Finance Company Limited, IDFC Infra Debt Fund Limited, IDFC Bank Limited, IDFC Financial Holding 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, Millennium City Expressways Private Limited and Jetpur Somnath Tollways Private Limited.



4. We did not review the interim financial results of three subsidiaries included in the consolidated financial results, whose interim financial results reflect total revenues of ₹ 7,271 lakhs and ₹ 21,804 lakhs for the Quarter and Nine Months ended December 31, 2014, respectively, and total profit after tax of ₹ 2,029 lakhs and ₹ 6,858 lakhs for the Quarter and Nine Months ended December 31, 2014, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of loss after tax of ₹ 9 lakhs and ₹ 12 lakhs for the Quarter and Nine Months ended December 31, 2014, respectively, as considered in the consolidated financial results, in respect of one associate, whose interim financial result 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 company is based solely on the reports of the other auditors.
5. 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 ₹ 710 lakhs and ₹ 1,205 lakhs for the Quarter and Nine Months ended December 31, 2014, respectively, and total net profit after tax of ₹ 122 lakhs and total net loss after tax ₹ 32 lakhs for the Quarter and Nine Months ended December 31, 2014, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of net loss after tax of ₹ 295 lakhs and ₹ 1,624 lakhs for the Quarter and Nine Months ended December 31, 2014, respectively, as considered in the consolidated financial results, in respect of two associates, based on their interim financial results which have not been reviewed by their auditors.
6. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above and except for the possible effects of the matter described 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 specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, 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.

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7. 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 with the Stock Exchanges from the details furnished by the Management and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months ended December 31, 2014 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 LLP**

Chartered Accountants

(Registration No. 117366W/W-100018)



P. R. Ramesh

Partner

(Membership No. 70928)

MUMBAI, 29 January, 2015
PRR/PG/SCR/2014-15

PART I - Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2014						
Particulars	Quarter ended 31.12.2014 (Reviewed)	Quarter ended 30.09.2014 (Reviewed)	Quarter ended 31.12.2013 (Reviewed)	Nine months ended 31.12.2014 (Reviewed)	Nine months ended 31.12.2013 (Reviewed)	Year ended 31.03.2014 (Audited)
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
1 Income from operations						
(a) Income from operations	245849	248274	211944	705944	655919	876139
(b) Other operating income	156	327	120	914	791	1065
Total Income from operations	246005	248601	212064	706858	656710	877204
2 Expenses						
(a) Employee benefits expense	9754	9636	7747	27226	22384	28828
(b) Other expenses	9116	9559	4610	24186	16019	22456
(c) Provisions and contingencies	15317	28118	3652	63828	14576	62830
(d) Depreciation and amortisation expense (see note 5)	578	640	792	(6749)	2337	3096
Total Expenses	34765	47953	18801	108491	55316	117210
3 Profit from operations before other income, finance costs and exceptional items (1-2)	211240	200648	195263	598367	601394	759994
4 Other income	203	145	220	7011	332	1795
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	211443	200793	195483	605378	601726	761789
6 Finance costs	148418	138508	126802	417253	380593	505524
7 Exceptional items	-	-	-	-	-	-
8 Profit from ordinary activities before tax (5-6+7)	63025	62285	68681	188125	221133	256265
9 Tax expense (net) (see note 5)	20188	18330	18109	52673	65371	73846
10 Net profit from ordinary activities after tax (8-9)	42842	43955	50572	135452	155762	182419
11 Extraordinary items (net of tax)	-	-	-	-	-	-
12 Net profit after tax before share of minority interest and share of profit / loss from associates (10+11)	42842	43955	50572	135452	155762	182419
13 Share of profit / (loss) from associates (equity method)	(305)	(1362)	71	(1637)	142	201
14 Share of minority interest	377	453	575	1341	1430	2352
15 Net profit after tax, share of minority interest and share of profit / loss from associates (12+13-14)	42160	42140	50068	132474	154474	180268
16 Paid-up equity share capital (see note 6) (Face value ₹ 10/- each)	159100	159027	151622	159100	151622	151629
17 Reserves excluding revaluation reserves						1352402
18 Earnings per share (of ₹ 10/- each)(not annualised)						
(a) Basic (₹) (see note 6)	2.64	2.75	3.30	8.57	10.19	11.89
(b) Diluted (₹) (see note 6)	2.62	2.75	3.30	8.54	10.17	11.88

PART II - Select information for the quarter and nine months ended December 31, 2014						
Particulars	Quarter ended 31.12.2014 (Reviewed)	Quarter ended 30.09.2014 (Reviewed)	Quarter ended 31.12.2013 (Reviewed)	Nine months ended 31.12.2014 (Reviewed)	Nine months ended 31.12.2013 (Reviewed)	Year ended 31.03.2014 (Audited)
[A] Particulars of shareholding						
Public shareholding	1591004169	1590267996	1516218366	1591004169	1516218366	1516286251
- Number of shares	100%	100%	100%	100%	100%	100%
- Percentage of shareholding						
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, 2014

1 Shareholders' complaints :

No. of complaints pending at the beginning of the quarter	Nil
No. of complaints received during the quarter	151
No. of complaints disposed off during the quarter	151
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	1697
No. of complaints disposed off during the quarter	1697
No. of complaints remaining unresolved at the end of the quarter	Nil

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

	Consolidated					
	Quarter ended 31.12.2014 (Reviewed)	Quarter ended 30.09.2014 (Reviewed)	Quarter ended 31.12.2013 (Reviewed)	Nine months ended 31.12.2014 (Reviewed)	Nine months ended 31.12.2013 (Reviewed)	Year ended 31.03.2014 (Audited)
Segment revenue						
Financing	232729	239552	200795	672285	626186	830489
Others *	13635	15471	11288	41444	33394	49605
Less: Inter segment revenue	246364	255023	212083	713729	659680	880094
Income from operations	(359)	(6422)	(19)	(6871)	(2870)	(2890)
	246005	248601	212064	706958	656710	877204
Segment results						
Financing	58169	55964	63924	165151	208790	235594
Others *	4665	6313	4756	16121	12330	20065
Unallocated	191	8	1	6853	13	606
Profit before tax	63025	62285	68681	188125	221133	256265
Capital employed (Segment assets - Segment liabilities)						
Financing	1489566	1459214	1322973	1489566	1322973	1276198
Others *	154029	149405	146598	154029	146598	150552
Unallocated	98120	89167	58853	98120	58853	81309
Total Capital employed	1741715	1697786	1528424	1741715	1528424	1508059

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

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

Particulars	Standalone					
	Quarter ended 31.12.2014 (Reviewed)	Quarter ended 30.09.2014 (Reviewed)	Quarter ended 31.12.2013 (Reviewed)	Nine months ended 31.12.2014 (Reviewed)	Nine months ended 31.12.2013 (Reviewed)	Year ended 31.03.2014 (Audited)
(i) Capital adequacy ratio	24.93%	25.92%	24.62%	24.93%	24.62%	22.11%
(ii) Earnings per share (of ₹ 10 each) (not annualised)						
(a) Basic (₹)	2.50	3.08	3.14	8.54	9.82	11.22
(b) Diluted (₹)	2.49	3.06	3.14	8.51	9.80	11.21
(iii) NPA Ratio (see note 11)						
(a) Amount of gross NPA	36858	34238	34080	36858	34080	33298
(b) Amount of net NPA	25201	22844	27465	25201	27465	22058
(c) % of gross NPA to gross advances	0.68%	0.62%	0.62%	0.68%	0.62%	0.56%
(d) % of net NPA to net advances	0.47%	0.42%	0.50%	0.47%	0.50%	0.37%

Particulars	Standalone				
	Quarter ended 31.12.2014 (Reviewed)	Quarter ended 30.09.2014 (Reviewed)	Quarter ended 31.12.2013 (Reviewed)	Nine months ended 31.12.2014 (Reviewed)	Nine months ended 31.12.2013 (Reviewed)
(iv) Return on assets (annualised)	1.84%	2.33%	2.60%	2.17%	2.71%
(v) Turnover (Total income from operations) *	231773	242484	199199	671599	619591
(vi) Profit before tax *	58230	62496	63944	177237	208808
(vii) Profit after tax *	40080	47015	47544	132002	148808
					170112

* Income from operations for nine months ended December 31, 2014 includes dividend from subsidiary companies of ₹ 8723 lakhs (for nine months ended December 31, 2013 ₹ 2807 lakhs and for the year ended March 31, 2014 ₹ 2807 lakhs).

4 During the nine months ended December 31, 2014 the Company has disposed its stake in two subsidiaries - Neopro Technologies Private Limited and Galaxy Mercantiles Limited which were held exclusively for disposal in near future. Consequently, these entities ceased to be Subsidiaries of the Company.

5 Having regard to the Part C of Schedule II of the Companies Act, 2013, during the nine months ended December 31, 2014 the Company has reviewed its policy of providing for depreciation on its tangible fixed assets and also reassessed their useful lives. On and from April 1, 2014, the straight line method is being used to depreciate all classes of tangible fixed assets. Previously, straight line method was used for depreciating certain office equipment and leasehold improvements while other tangible fixed assets were depreciated using written down value method.

As a result of the change, the charge on account of depreciation is lower for the nine months ended December 31, 2014 by ₹ 9054 lakhs (including writeback of depreciation of ₹ 8471 lakhs up to March 31, 2014) as compared to the method used and useful lives estimated in earlier periods. Consequently, deferred tax liability of ₹ 1816 lakhs for the nine months ended December 31, 2014 (including ₹ 1648 lakhs up to March 31, 2014) has been created on account of depreciation timing differences, resulting in a net increase of ₹ 7238 lakhs for the nine months ended December 31, 2014 (including ₹ 6823 lakhs up to March 31, 2014) in profit after tax.

6 The Company has allotted 73000000 equity shares of ₹ 10 each at a premium of ₹ 127 per share on September 16, 2014 pursuant to a Qualified Institutions Placement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Share issue expenses amounting to ₹ 1269 lakhs have been adjusted against the Securities Premium Account in terms of Section 52 of the Companies Act, 2013. The proceeds from the Qualified Institutions Placement is pending utilisation in accordance with the objects as set out in the offer document. The Company during the quarter and nine months ended December 31, 2014 has also issued 736173 and 1717918 equity shares respectively of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.

7 IDFC Alternatives Limited, a wholly owned subsidiary of the Company, has filed a Scheme of Amalgamation with the Honble Bombay High Court on September 26, 2014 for merger of IDFC Project Equity Company Limited, IDFC Primary Dealership Company Limited and IDFC Housing Finance Company Limited with IDFC Alternatives Limited. The appointed date for the merger is October 1, 2014 and is subject to the approval of the Honble Bombay High Court.

8 IDFC Investment Advisors Limited, subsidiary of IDFC Asset Management Company Limited, has filed a petition with the Honble Bombay High Court on December 26, 2014 to obtain its sanction to a Scheme of Amalgamation for merger of IDFC Investment Advisors Limited with IDFC Asset Management Company Limited.

9 During the nine months ended December 31, 2014, IDFC Bank Limited and IDFC Financial Holding Company Limited were incorporated as wholly owned subsidiaries of the Company. Subsequently, the entire holding of IDFC Bank Limited was sold to IDFC Financial Holding Company Limited at cost.

10 During the quarter ended December 31, 2014, the Board of Directors of the Company and IDFC Bank Limited have approved the Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 ("the Scheme") between IDFC Limited and IDFC Bank Limited and their respective shareholders and creditors to demerge its financial undertaking into its subsidiary, IDFC Bank Limited. The Scheme would be effective upon receipt of all requisite approvals including from shareholders, creditors, the Reserve Bank of India, Honble Madras High Court and filing of the certified copies of the order with the Registrar of Companies.

11 The disclosures for NPA referred to in note 3 (iii) above correspond to non performing advances.

12 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.

13 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).

14 The figures for the previous periods / year have been regrouped wherever necessary, in order to make them comparable.

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP


 P.R. Ramesh
 Partner

Mumbai, January 29, 2015

FOR AND ON BEHALF OF THE BOARD



Vikram Limaye
 Managing Director & CEO