

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

1. We have audited the accompanying Statement of Standalone Financial Results of **IDFC LIMITED** ("the Company") for the year ended March 31, 2014, ("the Statement"), being submitted by the Company pursuant to the requirement of 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 has been prepared on the basis of the related annual financial statements, which are the responsibility of the Company's Management and have been approved by the Board of Directors. Our responsibility is to express an opinion on the Statement, based on our audit of the related annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is invited to Note 12 of the Statement regarding figures for the quarter ended March 31, 2014 being balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and



**Deloitte
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(ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended March 31, 2014.

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 as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to the investor complaints disclosed in Part II - Select Information for the Quarter and Year Ended March 31, 2014 of the Statement, from the details furnished by the Registrars.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Registration No. 117366W/W-100018)

P. R. Ramesh

P. R. Ramesh

Partner

(Membership No. 70928)

MUMBAI, 25th April, 2014
PRR/PG/SCR/2013-14

PART I - Audited standalone financial results for the quarter and year ended March 31, 2014						(₹ in lakhs)
Particulars	Quarter ended 31.03.2014 (see note 12)	Quarter ended 31.12.2013 (Reviewed)	Quarter ended 31.03.2013 (see note 12)	Year ended 31.03.2014 (Audited)	Year ended 31.03.2013 (Audited)	
1 Income from operations						
(a) Income from operations (see note 2)	2015,56	1990,79	2083,02	8203,56	7753,51	
(b) Other operating income	2,74	1,20	72	10,65	11,79	
Total income from operations	2018,30	1991,99	2083,74	8214,21	7765,30	
2 Expenses						
(a) Employee benefits expense	18,82	39,26	42,88	129,00	136,99	
(b) Other expenses	21,48	18,79	35,47	84,66	84,77	
(c) Provisions and contingencies	482,86	37,82	211,10	628,83	394,11	
(d) Depreciation and amortisation expense	5,99	6,15	6,86	24,29	27,45	
Total expenses	529,15	102,02	296,31	866,78	643,32	
3 Profit from operations before other income, finance costs and exceptional items (1-2)	1489,15	1889,97	1787,43	7347,43	7121,98	
4 Other income (see note 3)	13,74	3,02	45	17,72	11,19	
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	1502,89	1892,99	1787,88	7365,15	7133,17	
6 Finance costs	1232,78	1253,55	1196,64	5006,96	4665,19	
7 Exceptional items	-	-	-	-	-	
8 Profit from ordinary activities before tax (5-6+7)	270,11	639,44	591,24	2358,19	2467,98	
9 Tax expense (net)	57,07	164,00	140,20	657,07	703,00	
10 Net profit from ordinary activities after tax (8-9)	213,04	475,44	451,04	1701,12	1764,98	
11 Extraordinary items (net of tax)	-	-	-	-	-	
12 Net profit after tax (10+11)	213,04	475,44	451,04	1701,12	1764,98	
13 Paid-up equity share capital (see note 6) (Face value ₹ 10/- each)	1516,29	1516,22	1514,73	1516,29	1514,73	
14 Reserves excluding revaluation reserves				13192,66	11942,58	
15 Analytical ratios						
(i) Capital adequacy ratio	22.32%	24.61%	22.24%	22.32%	22.24%	
(ii) Earnings per share (of ₹ 10/- each)(not annualised)						
(a) Basic (₹) (see note 6)	1.40	3.14	2.98	11.22	11.66	
(b) Diluted (₹) (see note 6)	1.40	3.14	2.95	11.21	11.59	
(iii) NPA Ratio (see note 7)						
(a) Amount of gross NPA	332,98	340,80	85,12	332,98	85,12	
(b) Amount of net NPA	220,58	274,65	28,91	220,58	28,91	
(c) % of gross NPA to gross advances	0.56%	0.62%	0.15%	0.56%	0.15%	
(d) % of net NPA to net advances	0.37%	0.50%	0.05%	0.37%	0.05%	
(iv) Return on assets (annualised)	1.17%	2.60%	2.61%	2.32%	2.63%	



PART II - Select information for the quarter and year ended March 31, 2014					
Particulars	Quarter ended 31.03.2014	Quarter ended 31.12.2013	Quarter ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
	(see note 12)	(Reviewed)	(see note 12)	(Audited)	(Audited)
[A] Particulars of shareholding					
Public shareholding					
- Number of shares	151,62,86,251	151,62,18,366	151,47,27,629	151,62,86,251	151,47,27,629
- Percentage of shareholding	100%	100%	100%	100%	100%
Promoters & promoter group shareholding					
(a) Pledged/encumbered					
- Number of shares	NA	NA	NA	NA	NA
- Percentage of shares	NA	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)					
- Percentage of shares	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
- Percentage of shares	NA	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)					
- Percentage of shares	NA	NA	NA	NA	NA
(as a % of the total share capital of the Company)					
[B] Investor complaints for the quarter ended March 31, 2014					
1 Shareholders' complaints :					
No. of complaints pending at the beginning of the quarter			Nil		
No. of complaints received during the quarter			84		
No. of complaints disposed off during the quarter			84		
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			3,334		
No. of complaints disposed off during the quarter			3,334		
No. of complaints remaining unresolved at the end of the quarter			Nil		



Notes:

1 Audited statement of assets and liabilities (₹ in lakhs)		
Particulars	As at March 31, 2014 (Audited)	As at March 31, 2013 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1516,29	1514,73
(b) Reserves & surplus	13192,66	11942,58
Sub-total - Shareholders' funds	14708,95	13457,31
2 Share application money pending allotment	12	30
3 Non-current liabilities		
(a) Long-term borrowings	39320,09	36803,33
(b) Other long-term liabilities	530,46	323,03
(c) Long-term provisions	150,41	143,20
Sub-total - Non-current liabilities	40000,96	37269,56
4 Current liabilities		
(a) Short-term borrowings	6932,53	3272,14
(b) Trade payables *	791,69	169,68
(c) Other current liabilities	10863,08	15284,27
(d) Short-term provisions	467,00	540,99
Sub-total - Current liabilities	19054,30	19267,08
TOTAL - EQUITY AND LIABILITIES	73764,33	69994,25
B ASSETS		
1 Non-current assets		
(a) Fixed assets	278,57	291,66
(b) Non-current investments	5177,81	4630,99
(c) Deferred tax assets (net)	487,20	393,20
(d) Long-term loans and advances		
(i) Loans	50049,94	48126,83
(ii) Others	519,36	456,67
(e) Other non current assets	174,06	617,47
Sub-total - Non-current assets	56686,94	54516,82
2 Current assets		
(a) Current investments	6021,07	6641,41
(b) Trade receivables **	643,10	50,76
(c) Cash and bank balances	217,46	127,52
(d) Short-term loans and advances		
(i) Loans	8495,59	7609,63
(ii) Others	510,29	380,62
(e) Other current assets	1189,88	667,49
Sub-total - Current assets	17077,39	15477,43
TOTAL - ASSETS	73764,33	69994,25

* includes ₹ 574,26 lakhs as on March 31, 2014 and ₹ Nil as on March 31, 2013 on deals entered on trade date basis, subsequently paid.

** includes ₹ 632,64 lakhs as on March 31, 2014 and ₹ 41,61 lakhs as on March 31, 2013 on deals recognised on trade date basis, subsequently realised.



IDFC Limited



- 2 Income from operations for the year ended March 31, 2014 include dividend from subsidiary companies of ₹ 28,07 lakhs and for the year ended March 31, 2013 ₹ 25,51 lakhs.
- 3 Other income for the year ended March 31, 2014 include profit on sale of 49.99% stake in IDFC Pension Fund Management Company Limited, to IDFC Securities Limited, a subsidiary of the Company of ₹ 68 lakhs. Other income for the year ended March 31, 2013 include profit on sale of 100% stake in IDFC Project Equity Company Limited, wholly-owned subsidiary of the Company to IDFC Alternatives Limited, a subsidiary of the Company of ₹ 3,73 lakhs.
- 4 During the year ended March 31, 2014, Galaxy Mercantiles Limited became a wholly owned subsidiary of the Company. During the quarter ended March 31, 2014, IDFC Housing Finance Company Limited and IDFC Infra Debt Fund Limited were incorporated as subsidiaries of the Company.
- 5 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.
- 6 During the quarter and year ended March 31, 2014, the Company issued 67,885 and 15,58,622 equity shares respectively of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.
- 7 The disclosures for NPA referred to in point 15 (iii) above correspond to non performing advances.
- 8 The classification of assets and liabilities into current and non-current is carried out based on their residual maturity profile as per the requirement of Revised Schedule VI to the Companies Act, 1956. The estimates and assumptions regarding prepayments (which are taken into account for ALM purpose) are not considered while classifying the assets and liabilities into current and non-current.
- 9 The Board of Directors at their meeting proposed a dividend of ₹ 2.60 per share, subject to the approval of the members at the ensuing Annual General Meeting.
- 10 Key data relating to the *consolidated results* of IDFC Limited are as under:

Particulars	Quarter ended 31.03.2014	Quarter ended 31.12.2013	Quarter ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
	(see note 12)	(Reviewed)	(see note 12)	(Audited)	(Audited)
Total Income from operations	2204,94	2120,64	2217,51	8772,04	8138,59
Net profit after tax	257,94	500,68	525,70	1802,68	1836,20
Earnings per share					
(a) Basic (₹)	1.70	3.30	3.47	11.89	12.13
(b) Diluted (₹)	1.70	3.30	3.44	11.88	12.06

- 11 The above results were reviewed by the Audit Committee and approved by the Board of Directors. There are no qualifications in the auditor's report for the year ended March 31, 2014. The information presented above is extracted from the audited financial statements as stated.
- 12 The figures for the quarter ended March 31, 2014 and March 31, 2013 are the balancing figures between audited figures of the full financial year and the published year to date figures up-to the third quarter of the relevant financial year.
- 13 The figures for the previous periods / year have been regrouped wherever necessary, in order to make them comparable.

FOR DELOITTE HASKINS & SELLS LLP

P.R. Ramesh
P.R. Ramesh

Partner
Mumbai, April 25, 2014

FOR AND ON BEHALF OF THE BOARD

Vikram Limaye

Vikram Limaye
Managing Director & CEO

