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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **IDFC 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 December 31, 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 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 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 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 and Jetpur Somnath Tollways Private Limited.

4. We did not review the interim financial results of four subsidiaries included in the consolidated financial results, whose interim financial results reflect total revenues of ₹ 6,606 lakhs and ₹ 19,993 lakhs for the Quarter and Nine Months ended December 31, 2013, respectively, and total profit after tax of ₹ 2,860 lakhs and ₹ 7,297 lakhs for the Quarter and Nine Months ended December 31, 2013, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of loss after tax of ₹ 1 lakh and ₹ Nil for the Quarter and Nine Months ended December 31, 2013, respectively, as considered in the consolidated financial results, in respect of an associate,



whose interim financial results 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, 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 ₹ 96 lakhs and ₹ 116 lakhs for the Quarter and Nine Months ended December 31, 2013, respectively, and total loss after tax (net) of ₹ 384 lakhs and ₹ 1,128 lakhs for the Quarter and Nine Months ended December 31, 2013, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of ₹ 72 lakhs and ₹ 142 lakhs for the Quarter and Nine Months ended December 31, 2013, respectively, as considered in the consolidated financial results, in respect of an associate, whose interim financial results have not been reviewed.
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 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 notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) 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 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 investor complaints disclosed in Part II - Select Information for the Quarter and Nine Months Ended December 31, 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 LLP**

Chartered Accountants
(Registration No. 117366W/W-100018)

P. R. Ramesh

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

MUMBAI, 31st January, 2014
PRR/PG/SCR/2013-14

PART I - Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2013							(₹ in lakhs)
Particulars	Quarter ended 31.12.2013	Quarter ended 30.09.2013	Quarter ended 31.12.2012	Nine months ended 31.12.2013	Nine months ended 31.12.2012	Year ended 31.03.2013	
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)	
1 Income from operations							
(a) Income from operations	2119,44	2145,36	2038,68	6559,19	5910,01	8126,80	
(b) Other operating income	1,20	3,10	2,98	7,91	11,07	11,79	
Total Income from operations (net)	2120,64	2148,46	2041,66	6567,10	5921,08	8138,59	
2 Expenses							
(a) Employee benefits expense	77,47	77,85	79,59	223,84	213,68	291,64	
(b) Other expenses	46,10	51,79	45,12	160,19	133,99	203,36	
(c) Provisions and contingencies	36,52	50,07	51,83	145,76	184,91	349,63	
(d) Depreciation and amortisation expense	7,92	7,83	8,63	23,37	25,79	34,40	
Total Expenses	168,01	187,54	185,17	553,16	558,37	879,03	
3 Profit from operations before other income, finance costs and exceptional items (1-2)	1952,63	1960,92	1856,49	6013,94	5362,71	7259,56	
4 Other income	2,20	55	5,92	3,32	8,93	9,83	
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	1954,83	1961,47	1862,41	6017,26	5371,64	7269,39	
6 Finance costs	1268,02	1260,39	1211,05	3805,93	3471,50	4675,83	
7 Exceptional items	-	-	-	-	-	-	
8 Profit from ordinary activities before tax (5-6±7)	686,81	701,08	651,36	2211,33	1900,14	2593,56	
9 Tax expense (net)	181,09	209,91	196,47	653,71	586,56	751,13	
10 Net profit from ordinary activities after tax (8-9)	505,72	491,17	454,89	1557,62	1313,58	1842,43	
11 Extraordinary items (net of tax)	-	-	-	-	-	-	
12 Net profit after tax before minority interest and share of profit / (loss) of associates (10±11)	505,72	491,17	454,89	1557,62	1313,58	1842,43	
13 Share of profit of associates (equity method)	71	44	58	1,42	1,19	1,86	
14 Minority interest	5,75	4,86	40	14,30	4,27	8,09	
15 Net Profit after tax, minority interest and share of profit of associates (12+ 13-14)	500,68	486,75	455,07	1544,74	1310,50	1836,20	
16 Paid-up equity share capital (see note 3) (Face value ₹ 10/- each)	1516,22	1516,13	1514,37	1516,22	1514,37	1514,73	
17 Reserves excluding revaluation reserves						12167,89	
18 Earnings per share (of ₹ 10/- each)(not annualised)							
(a) Basic (₹) (see note 3)	3.30	3.21	3.01	10.19	8.66	12.13	
(b) Diluted (₹) (see note 3)	3.30	3.21	2.98	10.17	8.62	12.06	



PART II - Select information for the quarter and nine months ended December 31, 2013

Particulars	Quarter ended 31.12.2013 (Reviewed)	Quarter ended 30.09.2013 (Reviewed)	Quarter ended 31.12.2012 (Reviewed)	Nine months ended 31.12.2013 (Reviewed)	Nine months ended 31.12.2012 (Reviewed)	Year ended 31.03.2013 (Audited)
[A] Particulars of shareholding						
Public shareholding						
- Number of shares	151,62,18,366	151,61,25,991	151,43,73,497	151,62,18,366	151,43,73,497	151,47,27,629
- 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 (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	NA
- Percentage of shares (as a % of the total share capital of the Company)	NA	NA	NA	NA	NA	NA
(b) Non-encumbered						
- Number of shares	NA	NA	NA	NA	NA	NA
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	NA
- Percentage of shares (as a % of the total share capital of the Company)	NA	NA	NA	NA	NA	NA

[B] Investor complaints for the quarter ended December 31, 2013**1 Shareholders' complaints :**

No. of complaints pending at the beginning of the quarter	Nil
No. of complaints received during the quarter	104
No. of complaints disposed off during the quarter	104
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	2,246
No. of complaints disposed off during the quarter	2,246
No. of complaints remaining unresolved at the end of the quarter	Nil




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

(₹ in lakhs)

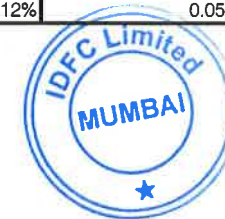
	Consolidated					
	Quarter ended 31.12.2013	Quarter ended 30.09.2013	Quarter ended 31.12.2012	Nine months ended 31.12.2013	Nine months ended 31.12.2012	Year ended 31.03.2013
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
Segment revenue						
Financing	2007,95	2070,12	1976,09	6261,86	5687,52	7774,63
Others *	112,88	106,63	89,59	333,94	259,79	390,40
	2120,83	2176,75	2065,68	6595,80	5947,31	8165,03
Less: Inter segment revenue	(19)	(28,29)	(24,02)	(28,70)	(26,23)	(26,44)
Income from operations	2120,64	2148,46	2041,66	6567,10	5921,08	8138,59
Segment results						
Financing	639,24	663,63	629,58	2087,90	1835,96	2464,52
Others *	47,56	37,36	16,69	123,30	57,41	122,27
Unallocated	1	9	5,09	13	6,77	6,77
Profit before tax	686,81	701,08	651,36	2211,33	1900,14	2593,56
Capital employed (Segment assets - Segment liabilities)						
Financing	13229,73	12816,83	11782,98	13229,73	11782,98	11724,89
Others *	1465,98	1457,47	1370,75	1465,98	1370,75	1424,01
Unallocated	588,53	505,63	481,70	588,53	481,70	559,41
Total Capital employed	15284,24	14779,93	13635,43	15284,24	13635,43	13708,31

* 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:

(₹ in lakhs)

Particulars	Standalone					
	Quarter ended 31.12.2013	Quarter ended 30.09.2013	Quarter ended 31.12.2012	Nine months ended 31.12.2013	Nine months ended 31.12.2012	Year ended 31.03.2013
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
(i) Capital adequacy ratio	24.77%	23.89%	22.42%	24.77%	22.42%	22.00%
(ii) Earnings per share (EPS)						
(a) Basic (₹)	3.14	3.28	3.09	9.82	8.68	11.66
(b) Diluted (₹)	3.14	3.28	3.07	9.80	8.64	11.59
(iii) NPA Ratio (see note 4)						
(a) Amount of gross non performing advances	340,80	180,49	142,59	340,80	142,59	85,12
(b) Amount of net non performing advances	274,65	111,27	65,70	274,65	65,70	28,91
(c) % of gross non performing advances to gross advances	0.62%	0.32%	0.26%	0.62%	0.26%	0.15%
(d) % of net non performing advances to net advances	0.50%	0.20%	0.12%	0.50%	0.12%	0.05%



Particulars	Standalone					
	Quarter ended 31.12.2013	Quarter ended 30.09.2013	Quarter ended 31.12.2012	Nine months ended 31.12.2013	Nine months ended 31.12.2012	Year ended 31.03.2013
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
(iv) Return on assets (annualised)	2.60%	2.71%	2.69%	2.70%	2.64%	2.63%
(v) Turnover (Total Income from operations)*	1991,99	2065,88	1969,18	6195,91	5681,56	7765,30
(vi) Profit before tax *	639,44	695,10	657,27	2088,08	1876,74	2467,98
(vii) Profit after tax *	475,44	498,10	468,67	1488,08	1313,94	1764,98
* Income from operations for the nine months ended December 31, 2013 include dividend from subsidiary companies of ₹ 28,07 lakhs (for the nine months ended December 31, 2012 ₹ 25,51 lakhs and for the year ended March 31, 2013 ₹ 25,51 lakhs).						

- 3 During the quarter and nine months ended December 31, 2013, the Company issued 92,375 and 14,90,737 equity shares respectively of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.
- 4 The disclosures for NPA referred to point 2 (iii) above correspond to non performing advances.
- 5 IDFC Securities Limited, a wholly owned subsidiary of IDFC Limited has filed a scheme of arrangement before the Hon'ble Bombay High Court seeking approval for merger of its wholly owned subsidiaries, IDFC Capital Limited, IDFC Distribution Company Limited and IDFC Pension Fund Management Company Limited with IDFC Securities Limited, with effect from November 1, 2013. The proposed scheme is subject to approval of Hon'ble Bombay High Court and accordingly no effect of the scheme is reflected in these accounts.
- 6 During the quarter and nine months ended December 31, 2013, Galaxy Mercantiles Limited became subsidiary of the Company.
- 7 Financial statements of Galaxy Mercantiles Limited and Neopro Technologies Private Limited have not been consolidated since these investments are held exclusively with a view to dispose off in near future.
- 8 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.
- 9 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).
- 10 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 31, 2014

For and on behalf of the Board



Vikram Limaye
Managing Director & CEO

