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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"), its subsidiaries (the Company and its subsidiaries constitute "the Group") and its share of the loss of associates for the Quarter ended June 30, 2015 ("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 Projects Limited, IDFC Securities Limited, IDFC Trustee Company Limited, IDFC Asset Management Company Limited, IDFC AMC Trustee 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 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 two subsidiaries included in the consolidated financial results, whose interim financial results reflect total revenues of ₹ 8,020 lakhs for the Quarter ended June 30, 2015 and total profit after tax of ₹ 2,800 lakhs for the Quarter ended June 30, 2015, as considered in the consolidated financial results. 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 is based solely on the reports of the other auditors.



5. The consolidated financial results includes the interim financial results of four subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of ₹ 261 lakhs for the Quarter ended June 30, 2015 and total net loss after tax of ₹ 115 lakhs for the Quarter ended June 30, 2015, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of net loss after tax of ₹ 1,243 lakhs for the Quarter ended June 30, 2015, as considered in the consolidated financial results, in respect of three 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 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.
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 ended June 30, 2015 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)

CHENNAI ^{15W} 30 July, 2015
PRR/PG/PPA/2015-16

PART I - Statement of unaudited consolidated financial results for the quarter ended June 30, 2015

(₹ in lakhs)

Particulars	Quarter ended 30.06.2015	Quarter ended 31.03.2015	Quarter ended 30.06.2014	Year ended 31.03.2015
	(Reviewed)	(Reviewed) (see note 10)	(Reviewed)	(Audited)
1 Income from operations				
(a) Income from operations	222274	256894	211821	962838
(b) Other operating income	312	230	431	1144
Total Income from operations	222586	257124	212252	963982
2 Expenses				
(a) Employee benefits expense	12659	11589	7836	38815
(b) Other expenses	10896	13649	5632	37835
(c) Provisions and contingencies	6246	37510	20393	101338
(d) Depreciation and amortisation expense (see note 5)	678	619	(7967)	(6130)
Total Expenses	30479	63367	25894	171858
3 Profit from operations before other income, finance costs and exceptional items (1-2)	192107	193757	186358	792124
4 Other income (see note 6)	91	1254	6663	8265
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	192198	195011	193021	800389
6 Finance costs	151942	148522	130206	565775
7 Exceptional items	-	-	-	-
8 Profit from ordinary activities before tax (5-6+7)	40256	46489	62815	234614
9 Tax expense (net) (see notes 5 & 6)	12897	6954	14160	59627
10 Net profit from ordinary activities after tax (8-9)	27359	39535	48655	174987
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)	27359	39535	48655	174987
13 Share of profit / (loss) from associates (equity method)	(1243)	(576)	30	(2213)
14 Share of minority interest	695	738	511	2079
15 Net Profit after tax, share of minority interest and share of profit / (loss) of associates (12+13-14)	25421	38221	48174	170695
16 Paid-up equity share capital (see note 3) (Face value ₹ 10/- each)	159380	159278	151683	159278
17 Reserves excluding revaluation reserves				1568173
18 Earnings per share (of ₹ 10/- each)(not annualised)				
(a) Basic (₹) (see note 3)	-1.60	2.39	3.18	10.96
(b) Diluted (₹) (see note 3)	1.59	2.37	3.17	10.91

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PART II - Select information for the quarter ended June 30, 2015

Particulars	Quarter ended 30.06.2015	Quarter ended 31.03.2015	Quarter ended 30.06.2014	Year ended 31.03.2015
	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
[A] Particulars of shareholding				
Public shareholding				
- Number of shares	1593799957	1592780866	1516832080	1592780866
- Percentage of shareholding	100%	100.00%	100%	100.00%
Promoters & promoter group shareholding				
(a) Pledged/encumbered				
- Number of shares	NA	NA	NA	NA
- Percentage of shares	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)				
- Percentage of shares	NA	NA	NA	NA
(as a % of the total share capital of the Company)				
(b) Non-encumbered				
- Number of shares	NA	NA	NA	NA
- Percentage of shares	NA	NA	NA	NA
(as a % of the total shareholding of promoter and promoter group)				
- Percentage of shares	NA	NA	NA	NA
(as a % of the total share capital of the Company)				

[B] Investor complaints for the quarter ended June 30, 2015**1 Shareholders' complaints :**

No. of complaints pending at the beginning of the quarter	Nil
No. of complaints received during the quarter	74
No. of complaints disposed off during the quarter	74
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	3391
No. of complaints disposed off during the quarter	3391
No. of complaints remaining unresolved at the end of the quarter	Nil



- 1 The Holding Company's main business is financing by way of loans and all its activities revolve around the main business. During the current and previous year, its activities also involved steps taken towards transitioning into the proposed bank. In view of the transitional nature of its activities, the disclosure in terms of Accounting Standard 17 on 'Segment Reporting' as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 for the Group is as under:

(₹ in lakhs)

	Consolidated			
	Quarter ended 30.06.2015	Quarter ended 31.03.2015	Quarter ended 30.06.2014	Year ended 31.03.2015
	(Reviewed)	(Reviewed) (see note 10)	(Reviewed)	(Audited)
Segment revenue				
Financing	208688	241140	200004	913425
Others *	14247	16313	12338	57757
	222935	257453	212342	971182
Less: Inter segment revenue	(349)	(329)	(90)	(7200)
Income from operations	222586	257124	212252	963982
Segment results				
Financing	34374	39975	51018	205126
Others *	5807	5354	5143	21475
Unallocated	75	1160	6654	8013
Profit before tax	40256	46489	62815	234614
Capital employed (Segment assets - Segment liabilities)				
Financing	1477972	1450503	1315296	1450503
Others *	170784	166609	154629	166609
Unallocated	110033	114983	87199	114983
Total Capital employed	1758789	1732095	1557124	1732095

* 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 30.06.2015	Quarter ended 31.03.2015	Quarter ended 30.06.2014	Year ended 31.03.2015
	(Reviewed)	(Reviewed) (see note 10)	(Reviewed)	(Audited)
(i) Capital adequacy ratio	23.80%	24.28%	23.67%	24.28%
(ii) Earnings per share (EPS)				
(a) Basic (₹)	1.51	2.29	2.96	10.83
(b) Diluted (₹)	1.51	2.26	2.96	10.77
(iii) NPA Ratio (see note 4)				
(a) Amount of gross NPA	81065	35757	34238	35757
(b) Amount of net NPA	52414	11957	22887	11957
(c) % of gross NPA to gross advances	1.52%	0.65%	0.64%	0.65%
(d) % of net NPA to net advances	0.99%	0.22%	0.43%	0.22%

Particulars	Standalone			
	Quarter ended 30.06.2015	Quarter ended 31.03.2015	Quarter ended 30.06.2014	Year ended 31.03.2015
	(Reviewed)	(Reviewed) (see note 10)	(Reviewed)	(Audited)
(iv) Return on assets (annualised)	1.05%	1.66%	2.37%	2.03%
(v) Turnover (Total income from operations)*	208682	241583	197342	913182
(vi) Profit before tax *	34904	42040	56511	219277
(vii) Profit after tax *	24088	36547	44907	168549

* includes dividend from subsidiary companies of ₹ 8723 lakhs for the year ended March 31, 2015.

- 3 During the quarter ended June 30, 2015, the Holding Company issued 1019091 equity shares 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 Having regard to the Part C of Schedule II of the Companies Act, 2013, during the year ended March 31, 2015 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 quarter ended June 30, 2014 by ₹ 8774 lakhs and for the year ended March 31, 2015 by ₹ 9110 lakhs (including writeback of depreciation of ₹ 8460 lakhs up to March 31, 2014) as compared to the method used and useful lives estimated in earlier periods. Consequently, deferred tax liability of ₹ 1741 lakhs for the quarter ended June 30, 2014 and ₹ 1859 lakhs for the year ended March 31, 2015 (including ₹ 1674 lakhs up to March 31, 2014) has been created on account of depreciation timing differences, resulting in a net increase of ₹ 7033 lakhs for the quarter ended June 30, 2014 and ₹ 7251 lakhs for the year ended March 31, 2015 (including ₹ 6786 lakhs up to March 31, 2014) in profit after tax.
- 6 Other income includes interest on income tax refund of ₹ 75 lakhs for the quarter ended June 30, 2015, ₹ 6654 lakhs for the quarter ended June 30, 2014 and ₹ 8012 lakhs for the year ended March 31, 2015. Tax expense is net of tax adjustments for prior years amounting to ₹ 23 lakhs for the quarter ended June 30, 2015, ₹ 4946 lakhs for the quarter ended June 30, 2014 and ₹ 10659 lakhs for the year ended March 31, 2015.
- 7 Pursuant to filing of scheme of arrangement under section 391-394 of the Companies Act, 1956 before the Hon'ble Madras High Court ('High Court') on April 13, 2015 to demerge financial undertaking of IDFC Limited into its subsidiary, IDFC Bank Limited, the Hon'ble High Court, vide it's Order dated June 25, 2015, has approved the Scheme of Arrangement between IDFC Limited and IDFC Bank Limited and their respective shareholders and creditors. The Demerger will be recorded when the Scheme becomes effective on fulfillment of the conditions specified in the Scheme of Arrangement.

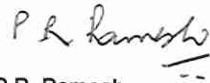
The Reserve Bank of India has granted the final Banking License to its subsidiary, IDFC Bank Limited vide its letter dated July 23, 2015.

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- 8 IDFC Investment Advisors Limited, a wholly owned subsidiary of the IDFC Asset Management Company Limited has been merged under the Scheme of Arrangement under Section 391-394 of the Companies Act, 1956 with IDFC Asset Management Company Limited with effect from April 1, 2015 vide order received from Hon'ble Bombay High Court dated April 18, 2015.
- 9 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.
- 10 The figures for the quarter ended March 31, 2015 are the balancing figures between audited figures of the full financial year 2014-15 and the published year to date figures up-to the third quarter of the relevant financial year.
- 11 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).
- 12 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
Chennai, July 30, 2015

For and on behalf of the Board



Vikram Limaye
Managing Director & CEO