

Deloitte Haskins & Sells LLP

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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 Standalone Financial Results of **IDFC LIMITED** ("the Company"), for the Quarter ended June 30, 2015 ("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 4 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. Based on our review conducted as 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.
4. 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
(Firm's Registration No. 117366W/W-100018)



P R Ramesh
Partner
(Membership No. 70928)

CHENNAI ³⁰July, 2015
PRR/PG/PPA/2015-16

PART I - Statement of unaudited standalone financial results 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) (see note 11)	(Reviewed)	(Audited)
1 Income from operations				
(a) Income from operations (see note 1)	208370	241353	196911	912038
(b) Other operating income	312	230	431	1144
Total income from operations	208682	241583	197342	913182
2 Expenses				
(a) Employee benefits expense	7836	6173	3721	21346
(b) Other expenses	7332	8123	2316	20654
(c) Provisions and contingencies	6168	37436	20178	101855
(d) Depreciation and amortisation expense (see note 2)	537	481	(7499)	(6077)
Total expenses	21873	52213	18716	137778
3 Profit from operations before other income, finance costs and exceptional items (1-2)	186809	189370	178626	775404
4 Other income (see notes 3 & 4)	26	1171	6575	8081
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	186835	190541	185201	783485
6 Finance costs	151931	148501	128690	564208
7 Exceptional items	-	-	-	-
8 Profit from ordinary activities before tax (5-6+7)	34904	42040	56511	219277
9 Tax expense (net) (see notes 2 & 4)	10816	5493	11604	50728
10 Net profit from ordinary activities after tax (8-9)	24088	36547	44907	168549
11 Extraordinary items (net of tax)	-	-	-	-
12 Net profit after tax (10+11)	24088	36547	44907	168549
13 Paid-up equity share capital (see note 6) (Face value ₹ 10/- each)	159380	159278	151683	159278
14 Reserves excluding revaluation reserves				1533674
15 Analytical ratios				
(i) Capital adequacy ratio	23.80%	24.28%	23.67%	24.28%
(ii) Earnings per share (of ₹ 10/- each)(not annualised)				
(a) Basic (₹) (see note 6)	1.51	2.29	2.96	10.83
(b) Diluted (₹) (see note 6)	1.51	2.26	2.96	10.77
(iii) NPA Ratio (see note 7)				
(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 NPA to net advances	0.99%	0.22%	0.43%	0.22%
(iv) Return on assets (annualised)	1.05%	1.66%	2.37%	2.03%

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) (see note 11)	(Reviewed)	(Audited)
[A] Particulars of shareholding				
Public shareholding				
- Number of shares	1593799957	1592780866	1516832080	1592780866
- Percentage of shareholding	100%	100%	100%	100%
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

Notes:

- 1 Income from operations for the year ended March 31, 2015 include dividend from subsidiary companies of ₹ 8723 lakhs.
- 2 Having regard to the Part C of Schedule II of the Companies Act, 2013 during the previous 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 quarter ended June 30, 2014 by ₹ 8040 lakhs and for the year ended March 31, 2015 by ₹8430 lakhs (including writeback of depreciation of ₹ 7887 lakhs up to March 31, 2014) as compared to the method used and useful lives estimated in earlier periods. Consequently, deferred tax liability of ₹ 1491 lakhs for the quarter ended June 30, 2014 and ₹ 1623 lakhs for the year ended March 31, 2015 (including deferred tax liability of ₹ 1475 lakhs up to March 31, 2014) has been created on account of depreciation timing differences, resulting in a net increase of ₹ 6549 lakhs for the quarter ended June 30, 2014 and ₹ 6807 lakhs for the year ended March 31, 2015 (including ₹ 6412 lakhs up to March 31, 2014) in profit after tax.

- 3 Other income for the year ended March 31, 2015 include profit of ₹ 100 lakhs on sale of 100% stake in IDFC Primary Dealership Company Limited and IDFC Housing Finance Company Limited to IDFC Alternatives Limited, a subsidiary of the Company.
- 4 Other income includes interest on income tax refund of ₹ 17 lakhs for the quarter ended June 30, 2015, ₹ 6568 lakhs for the quarter ended June 30, 2014 and ₹ 7807 lakhs for the year ended March 31, 2015. Tax expense is net of tax adjustments for prior years amounting to ₹ 24 lakhs for the quarter ended June 30, 2015, ₹ 5260 lakhs for the quarter ended June 30, 2014 and ₹ 10991 lakhs for the year ended March 31, 2015.
- 5 The Company's main business is financing by way of loans and all activities revolve around the main business. During the current and previous quarter / year, these activities also involved steps taken towards transitioning into the proposed bank. In view of the transitional nature of these activities, there are no reportable segments as per Accounting Standard 17 on Segment Reporting as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 6 During the quarter ended June 30, 2015, the 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.
- 7 The disclosures for NPA referred to point 15 (iii) above correspond to non performing advances.
- 8 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.

Rec

9 Key data relating to the consolidated results of IDFC Limited are as under:

Particulars	(₹ in lakhs)			
	Quarter ended 30.06.2015	Quarter ended 31.03.2015	Quarter ended 30.06.2014	Year ended 31.03.2015
	(Reviewed)	(Reviewed) (see note 11)	(Reviewed)	(Audited)
Total Income from operations	222586	257124	212252	963982
Net profit after tax	25421	38221	48174	170695
Earnings per share				
(a) Basic (₹)	1.60	2.39	3.18	10.96
(b) Diluted (₹)	1.59	2.37	3.17	10.91

- 10 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.
- 11 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.
- 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