

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, 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 5 below. This Statement has been prepared on the basis of the related annual financial statements, which is the responsibility of the Company's Management and has 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 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.
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 16 of the Statement regarding figures for the quarter ended March 31, 2015 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:



**Deloitte
Haskins & Sells LLP**

- (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges; and
 - (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, 2015.
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 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 Year Ended March 31, 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 AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



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

MUMBAI, 30th April, 2015
PRR/PG/PPA/2014-2015

PART I - Statement of audited standalone financial results for the quarter and year ended March 31, 2015						(₹ in lakhs)
Particulars	Quarter ended 31.03.2015 (see note 16)	Quarter ended 31.12.2014 (Reviewed)	Quarter ended 31.03.2014 (see note 16)	Year ended 31.03.2015 (Audited)	Year ended 31.03.2014 (Audited)	
1 Income from operations						
(a) Income from operations (see note 2)	241353	231617	201556	912038	820356	
(b) Other operating income	230	156	274	1144	1065	
Total income from operations	241583	231773	201830	913182	821421	
2 Expenses						
(a) Employee benefits expense	6173	5517	1882	21346	12900	
(b) Other expenses	8123	3954	2148	20654	8466	
(c) Provisions and contingencies	37436	15313	48286	101855	62883	
(d) Depreciation and amortisation expense (see note 3)	481	450	599	(6077)	2429	
Total expenses	52213	25234	52915	137778	86678	
3 Profit from operations before other income, finance costs and exceptional items (1-2)	189370	206539	148915	775404	734743	
4 Other income (see note 4 & 5)	1171	92	1374	8081	1772	
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	190541	206631	150289	783485	736515	
6 Finance costs	148501	148401	123278	564208	500696	
7 Exceptional items	-	-	-	-	-	
8 Profit from ordinary activities before tax (5-6+7)	42040	58230	27011	219277	235819	
9 Tax expense (net) (see note 3 & 5)	5493	18150	5707	50728	65707	
10 Net profit from ordinary activities after tax (8-9)	36547	40080	21304	168549	170112	
11 Extraordinary items (net of tax)	-	-	-	-	-	
12 Net profit after tax (10+11)	36547	40080	21304	168549	170112	
13 Paid-up equity share capital (see note 7) (Face value ₹ 10 each)	159278	159100	151629	159278	151629	
14 Reserves excluding revaluation reserves				1533674	1319266	
15 Analytical ratios						
(i) Capital adequacy ratio	24.28%	24.82%	22.06%	24.28%	22.06%	
(ii) Earnings per share (of ₹ 10 each)(not annualised)						
(a) Basic (₹) (see note 7)	2.29	2.50	1.40	10.83	11.22	
(b) Diluted (₹) (see note 7)	2.26	2.49	1.40	10.77	11.21	
(iii) NPA Ratio (see note 8)						
(a) Amount of gross NPA	35757	36858	33298	35757	33298	
(b) Amount of net NPA	11957	25201	22058	11957	22058	
(c) % of gross NPA to gross advances	0.65%	0.68%	0.56%	0.65%	0.56%	
(d) % of net NPA to net advances	0.22%	0.47%	0.37%	0.22%	0.37%	
(iv) Return on assets (annualised)	1.66%	1.84%	1.17%	2.03%	2.33%	

See

PART II - Select information for the quarter and year ended March 31, 2015					
Particulars	Quarter ended 31.03.2015	Quarter ended 31.12.2014	Quarter ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
	(see note 16)	(Reviewed)	(see note 16)	(Audited)	(Audited)
[A] Particulars of shareholding					
Public shareholding					
- Number of shares	1592780866	1591004169	1516286251	1592780866	1516286251
- 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)	NA	NA	NA	NA	NA
- Percentage of shares					
(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)	NA	NA	NA	NA	NA
- Percentage of shares					
(as a % of the total share capital of the Company)					
[B] Investor complaints for the quarter ended March 31, 2015					
1 Shareholders' complaints :					
No. of complaints pending at the beginning of the quarter			Nil		
No. of complaints received during the quarter			96		
No. of complaints disposed off during the quarter			96		
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			2322		
No. of complaints disposed off during the quarter			2322		
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, 2015 (Audited)	As at March 31, 2014 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	159278	151629
(b) Reserves & surplus	1533674	1319266
Sub-total - Shareholders' funds	1692952	1470895
2 Share application money pending allotment	222	12
3 Non-current liabilities		
(a) Long-term borrowings	4291869	3932009
(b) Other long-term liabilities	35543	53046
(c) Long-term provisions	13682	15041
Sub-total - Non-current liabilities	4341094	4000096
4 Current liabilities		
(a) Short-term borrowings	1208577	693253
(b) Trade payables *	43071	79169
(c) Other current liabilities	1313597	1086308
(d) Short-term provisions	52467	46700
Sub-total - Current liabilities	2617712	1905430
TOTAL - EQUITY AND LIABILITIES	8651980	7376433
B ASSETS		
1 Non-current assets		
(a) Fixed assets	37284	27857
(b) Non-current investments	1587998	517781
(c) Deferred tax assets (net)	74570	48720
(d) Long-term loans and advances		
(i) Loans	4717247	5004994
(ii) Others	56159	51936
(e) Other non current assets	20783	17406
Sub-total - Non-current assets	6494041	5668694
2 Current assets		
(a) Current investments	1460691	602107
(b) Trade receivables **	2608	64310
(c) Cash and bank balances	18135	21746
(d) Short-term loans and advances		
(i) Loans	525416	849559
(ii) Others	49200	51029
(e) Other current assets	101889	118988
Sub-total - Current assets	2157939	1707739
TOTAL - ASSETS	8651980	7376433

* includes ₹ 8570 lakhs as on March 31, 2015 and ₹ 57426 lakhs as on March 31, 2014 on deals entered on trade date basis, subsequently paid.

** includes ₹ 2171 lakhs as on March 31, 2015 and ₹ 63264 lakhs as on March 31, 2014 on deals recognised on trade date basis, subsequently realised.

- 2 Income from operations for the year ended March 31, 2015 include dividend from subsidiary companies of ₹ 8723 lakhs and for the year ended March 31, 2014 ₹ 2807 lakhs.
- 3 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 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 ₹ 1623 lakhs for the year ended March 31, 2015 (including ₹ 1475 lakhs up to March 31, 2014) has been created on account of depreciation timing differences, resulting in a net increase of ₹ 6807 lakhs for the year ended March 31, 2015 (including ₹ 6412 lakhs up to March 31, 2014) in profit after tax.
- 4 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. Other income for the year ended March 31, 2014 include profit of ₹ 68 lakhs on transfer of 49.99% stake in IDFC Pension Fund Management Company Limited to IDFC Securities Limited, a subsidiary of the Company.
- 5 Other income includes interest on income tax refund of ₹ 7807 lakhs for the year ended March 31, 2015 and ₹ 502 lakhs for the year ended March 31, 2014. Tax expense is net of tax adjustments for prior years amounting to ₹ 10991 lakhs for the year ended March 31, 2015 and ₹ 5405 lakhs for the year ended March 31, 2014.
- 6 The Company's main business is financing by way of loans and all activities revolve around the main business. During the 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.
- 7 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 for investment in IDFC Financial Holding Company Limited for further investment in IDFC Bank Limited in accordance with the objects as set out in the offer document. The Company during the quarter and year ended March 31, 2015 has also issued 1776697 and 3494615 equity shares respectively of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.
- 8 The disclosures for NPA referred to in point 15 (iii) above correspond to non performing advances.
- 9 During the year ended March 31, 2015, 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.
- 10 During the year ended March 31, 2015, 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.
- 11 During the year ended March 31, 2015, 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 is filed with Hon'ble Madras High Court for approval. The Scheme would be effective upon receipt of all requisite approvals and filing of the certified copies of the order with the Registrar of Companies.
- 12 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 Schedule III to the Companies Act, 2013. 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.
- 13 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.

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

Particulars	Quarter ended 31.03.2015	Quarter ended 31.12.2014	Quarter ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
	(see note 16)	(Reviewed)	(see note 16)	(Audited)	(Audited)
Total income from operations	257124	246005	220494	963982	877204
Net profit after tax	38221	42160	25794	170695	180268
Earnings per share					
(a) Basic (₹)	2.39	2.64	1.70	10.96	11.89
(b) Diluted (₹)	2.37	2.62	1.70	10.91	11.88

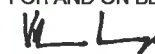
- 15 The above results were reviewed by the Audit Committee and approved by the Board of Directors. There are no qualifications in the auditor's report for the year ended March 31, 2015. The information presented above is extracted from the audited financial statements as stated.
- 16 The figures for the quarter ended March 31, 2015 and March 31, 2014 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.
- 17 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
Partner
Mumbai, April 30, 2015

FOR AND ON BEHALF OF THE BOARD



Vikram Limaye
Managing Director & CEO