

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF IDFC LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **IDFC LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its share of the loss of its associates for the Quarter and Nine months ended December 31, 2015 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 Holding 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 Financial Holding Company Limited, IDFC Bank Limited, 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 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.

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Haskins & Sells LLP

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 Rs. 8,146 lakhs and Rs. 24,136 lakhs for the Quarter and Nine Months ended December 31, 2015, respectively, and total profit after tax of Rs.3,294 lakhs and Rs. 9,086 lakhs for the Quarter and Nine Months ended December 31, 2015, respectively, 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 Rs.418 lakhs and Rs. 1,339 lakhs for the Quarter and Nine Months ended December 31, 2015, respectively, and total profit after tax of Rs. 156 lakhs and Rs. 333 lakhs for the Quarter and Nine Months ended December 31, 2015, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of loss after tax of Rs. 1,448 lakhs and Rs. 4,320 lakhs for the Quarter and Nine Months ended December 31, 2015, respectively, 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 aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to Note 3 to the Statement which describes the demerger of the financial undertaking of the Company, as defined in the Scheme of Arrangement under section 391-394 of the Companies Act, 1956 approved by the Hon'ble Madras High Court vide its order dated June 25, 2015 into the IDFC Bank Limited with effect from October 1, 2015.

Our Conclusion is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, 30 January, 2016
KJM/PG/PPA

PART I - Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2015						
Particulars	(₹ in lakhs)					
	Quarter ended 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine months ended 31.12.2015	Nine months ended 31.12.2014	Year ended 31.03.2015
	(Unaudited) (see note 3)	(Unaudited)	(Unaudited)	(Unaudited) (see note 3)	(Unaudited)	(Audited)
1 Income from operations						
(a) Income from operations	215968	250915	245849	689157	705944	962838
(b) Other operating income	164	339	156	815	914	1144
Total Income from operations	216132	251254	246005	689972	706858	963982
2 Expenses						
(a) Employee benefits expense	16728	16840	9754	46227	27226	38815
(b) Other expenses	11529	12360	9116	34785	24186	37835
(c) Provisions and contingencies	593	26215	15317	33054	63828	101338
(d) Depreciation and amortisation expense (see note 5)	1724	878	578	3280	(6749)	(6130)
Total Expenses	30574	56293	34765	117346	108491	171858
3 Profit from operations before other income, finance costs and exceptional items (1-2)	185558	194961	211240	572626	598367	792124
4 Other income (see note 6)	1103	36	203	1230	7011	8265
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	186661	194997	211443	573856	605378	800389
6 Finance costs	140342	145156	148418	437440	417253	565775
7 Exceptional items (see note 4)	-	(263872)	-	(263872)	-	-
8 Profit / (loss) from ordinary activities before tax (5-6+7)	46319	(214031)	63025	(127456)	188125	234614
9 Tax expense (net) (see note 4, 5 & 7)	15414	(69520)	20183	(41209)	52673	59627
10 Net profit / (loss) from ordinary activities after tax (8-9)	30905	(144511)	42842	(86247)	135452	174987
11 Extraordinary items (net of tax)	-	-	-	-	-	-
12 Net profit / (loss) after tax before share of minority interest and share of loss from associates (10+11)	30905	(144511)	42842	(86247)	135452	174987
13 Share of loss from associates (equity method)	(1448)	(1629)	(305)	(4320)	(1637)	(2213)
14 Share of minority interest (see note 3)	11839	743	377	15958	1341	2079
15 Net profit / (loss) after tax, share of minority interest and share of loss from associates (12+13-14)	17618	(146883)	42160	(106525)	132474	170695
16 Paid-up equity share capital (see note 9) (Face value ₹ 10/- each)	159402	159402	159100	159402	159100	159278
17 Reserves excluding revaluation reserves						1568173
18 Earnings per share (of ₹ 10/- each)(not annualised)						
(a) Basic (₹) (see note 9)	1.10	(9.22)	2.64	(6.68)	8.57	10.96
(b) Diluted (₹) (see note 9)	1.09	(9.19)	2.62	(6.68)	8.54	10.91

Notes :

- 1 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:

Particulars	Consolidated					
	Quarter ended 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine months ended 31.12.2015	Nine months ended 31.12.2014	Year ended 31.03.2015
	(Unaudited) (see note 3)	(Unaudited)	(Unaudited)	(Unaudited) (see note 3)	(Unaudited)	(Audited)
Segment revenue						
Financing*	202723	257124	232729	668535	672285	913425
Others *	13466	14326	13635	42039	41444	57757
	216189	271450	246364	710574	713729	971182
Less: Inter segment revenue	(57)	(20196)	(359)	(20602)	(6871)	(7200)
Income from operations	216132	251254	246005	689972	706858	963982
Segment results						
Financing*	40330	(220081)	58169	(145377)	165151	205126
Others *	5125	6050	4665	16982	16121	21475
Unallocated	864	-	191	939	6853	8013
Profit before tax	46319	(214031)	63025	(127456)	188125	234614
Capital employed (Segment assets - Segment liabilities)						
Financing*	1292436	1263725	1489566	1292436	1489566	1450502
Others *	150598	149423	154029	150598	154029	166609
Unallocated	199450	199090	98120	199450	98120	114983
Total Capital employed	1642484	1612238	1741715	1642484	1741715	1732094

* Financing segment includes Banking business. 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 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine months ended 31.12.2015	Nine months ended 31.12.2014	Year ended 31.03.2015
	(Unaudited) (see note 3)	(Unaudited)	(Unaudited)	(Unaudited) (see note 3)	(Unaudited)	(Audited)
(i) Capital adequacy ratio (see note 10)	114.69%	11.24%	24.82%	114.69%	24.82%	24.28%
(ii) Earnings per share (EPS) (see note 9) (not annualised)						
(a) Basic (₹)	0.03	(8.86)	2.50	(7.32)	8.54	10.83
(b) Diluted (₹)	0.01	(8.83)	2.49	(7.31)	8.51	10.77
(iii) NPA Ratio (see note 11)						
(a) Amount of gross NPA	-	146730	36858	-	36858	35757
(b) Amount of net NPA	-	45345	25201	-	25201	11957
(c) % of gross NPA to gross advances	-	3.17%	0.68%	-	0.68%	0.65%
(d) % of net NPA to net advances	-	1.00%	0.47%	-	0.47%	0.22%
(iv) Return on assets (annualised) (see note 11)	-	(6.35%)	1.84%	-	2.17%	2.03%
(v) Turnover (Total Income from operations) *	1156	245605	231773	455443	671599	913182
(vi) Profit before tax	603	(215908)	58230	(180401)	177237	219277
(vii) Profit after tax	356	(141138)	40080	(116694)	132002	168549

* Income from operations for nine months ended December 31, 2015 includes dividend from subsidiary companies of ₹ 20001 lakhs, for nine months ended December 31, 2014 ₹ 8723 lakhs and for the year ended March 31, 2015 ₹ 8723 lakhs.

3 Pursuant to order of the Hon'ble Madras High Court dated June 25, 2015 approving the Scheme of Arrangement under Section 391-394 of the Companies Act, 1956, between the Company and IDFC Bank Limited and their respective shareholders and creditors and on receipt of final Banking Licence for IDFC Bank Limited for commencement of banking operations, the demerger has been recorded with effective date of October 1, 2015. Accordingly, assets amounting to ₹ 6623746 lakhs and liabilities amounting to ₹ 6000290 lakhs, resulting net assets amounting to ₹ 623456 lakhs, alongwith contingent liabilities of ₹ 28563 lakhs, capital commitment of ₹ 84005 lakhs and notional principal of derivative contract of ₹ 1390357 lakhs pertaining to the financial undertaking are transferred from the Company to IDFC Bank Limited and in consideration, equity shares of IDFC Bank Limited in the ratio of 1:1 have been issued to the shareholders of IDFC Limited. Post transfer of the Financing undertaking to IDFC Bank Limited, IDFC Limited is mainly an investment company, with minimal operations. In view of increased Minority interest in IDFC Bank Limited and pursuant to the demerger of financing undertaking in IDFC Bank limited, the result of the quarter ended December 31, 2015 is not comparable with the previous quarters. Minority interest for the period ended December 31, 2015 includes ₹ 2681 lakhs being share of profit for the period from April 1, 2015 to September 30, 2015 on account of change in shareholding in IDFC Bank Limited with effect from October 1, 2015.

4 Pursuant to the application made by the Holding Company, the Reserve Bank of India ("RBI") has granted its approval to utilise the balance in the Statutory Reserves to create specific provision against identified stressed assets. Accordingly, the Holding Company has during the nine months ended December 31, 2015, created specific provisions of ₹ 250000 lakhs on such assets. This one time provision alongwith reversal of unrealised interest on stressed assets have been charged to the Statement of Profit and Loss and classified as exceptional item. In accordance with the RBI approval, an amount equivalent to ₹ 163480 lakhs (Provision of ₹ 250000 lakhs net of deferred tax asset of ₹ 86520 lakhs) is transferred from the non distributable Statutory Reserve to the balance of Surplus in Statement of Profit and Loss in Reserves & Surplus.



- 5 Having regard to the Part C of Schedule II of the Companies Act, 2013, during the previous year ended March 31, 2015, the Group had reviewed its policy of providing for depreciation on its tangible fixed assets and also reassessed their useful lives.
As a result, the charge on account of depreciation was lower for the nine months ended December 31, 2014 by ₹ 9054 lakhs and for the year ended March 31, 2015 by ₹ 9110 lakhs. Consequently, deferred tax liability of ₹ 1816 lakhs for the nine months ended December 31, 2014 and ₹ 1859 lakhs for the year ended March 31, 2015 has been created on account of depreciation timing differences, resulting in a net increase in profit after tax of ₹ 7238 lakhs for the nine months ended December 31, 2014 and ₹ 7251 lakhs for the year ended March 31, 2015.
- 6 Other income includes interest on income tax refund of ₹ 939 lakhs for the nine months ended December 31, 2015, ₹ 6853 lakhs for the nine months ended December 31, 2014 and ₹ 8013 lakhs for the year ended March 31, 2015.
- 7 Tax expense is net of tax for prior years amounting to ₹ 23 lakhs for the nine months ended December 31, 2015, ₹ 4946 lakhs for the nine months ended December 31, 2014 and ₹ 10659 lakhs for the year ended March 31, 2015.
- 8 During the nine months ended December 31, 2015, the Holding Company has invested ₹ 878495 lakhs as equity in its regulated wholly owned subsidiary, IDFC Financial Holding Company Limited ("IDFC FHCL"), in compliance with the RBI Guidelines on Licensing of New Banks in the Private Sector dated February 22, 2013. Further, as per the guidelines, IDFC FHCL should hold investment in IDFC Bank Limited and all other regulated financial service entities of IDFC Group. Accordingly, during the nine months ended December 31, 2015, the Holding Company has transferred its entire investments in all regulated subsidiaries, i.e. IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC Infra Debt Fund Limited, IDFC Securities Limited & IDFC Trustee Company Limited to its wholly owned subsidiary, IDFC FHCL for consideration received in cash. In addition, IDFC Finance Limited has surrendered its NBFC Licence and the Holding Company has transferred its entire investments in IDFC Finance Limited to its wholly owned subsidiary, IDFC Projects Limited.
- 9 During the nine months ended December 31, 2015 the Holding Company has issued 1239802 equity shares of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.
- 10 The Capital Adequacy Ratio ('CAR') as on September 30, 2015 was reduced on account of investment of ₹ 878500 lakhs in equity shares of its wholly owned subsidiary, IDFC FHCL pursuant to the transfer of the financial undertaking to IDFC Bank Limited on October 1, 2015. As per the RBI guidelines applicable to Non Banking Finance Companies, all investments in subsidiaries in excess of 10% of owned funds is required to be reduced from Tier I Capital. Had this investment not been reduced, the CAR would have been 24.57%. On transfer of assets & liabilities of the financing undertaking as defined under the Scheme of Arrangement as referred above to IDFC Bank on October 1, 2015, the Capital Adequacy ratio of the Company is restored to a level far in excess of the capital adequacy ratio as prescribed by the RBI. As on December 31, 2015 the capital adequacy ratio stand much above the minimum requirement as prescribed by the RBI.
- 11 In view of discontinuation of financing business in standalone books of the Holding Company, certain analytical ratios for the quarter and nine months ended December 31, 2015 are not disclosed. The disclosures for NPA referred to in note 3 (iii) above correspond to non performing advances.
- 12 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.
- 13 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).
- 14 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



Kalpesh J. Mehta
Partner
Mumbai, January 30, 2016

FOR AND ON BEHALF OF THE BOARD



Vikram Limaye
Managing Director & CEO



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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 and Nine Months ended December 31, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to Note 1 to the Statement which describes the demerger of the financial undertaking of the Company, as defined in the Scheme of Arrangement under section 391-394 of the Companies Act, 1956 approved by the Hon'ble Madras High Court vide its order dated June 25, 2015 into the IDFC Bank Limited with effect from October 1, 2015.

Our Conclusion is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, 30 January, 2016
KJM/PG/PPA

PART I - Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2015							(₹ in lakhs)
Particulars	Quarter ended 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine months ended 31.12.2015	Nine months ended 31.12.2014	Year ended 31.03.2015	
	(Unaudited) (see note 1 and 8)	(Unaudited)	(Unaudited)	(Unaudited) (see note 1 and 8)	(Unaudited)	(Audited)	
1 Income from operations							
(a) Income from operations (see note 2)	992	245266	231617	454628	670685	912038	
(b) Other operating income	164	339	156	815	914	1144	
Total income from operations	1156	245605	231773	455443	671599	913182	
2 Expenses							
(a) Employee benefits expense	272	12283	5517	20391	15173	21346	
(b) Other expenses	146	8597	3954	16075	12531	20654	
(c) Provisions and contingencies	-	31145	15313	37313	64419	101855	
(d) Depreciation and amortisation expense (see note 3)	136	716	450	1389	(6558)	(6077)	
Total expenses	554	52741	25234	75168	85565	137778	
3 Profit from operations before other income, finance costs and exceptional items (1-2)	602	192864	206539	380275	586034	775404	
4 Other income (see note 4)	1	205	92	232	6910	8081	
5 Profit from ordinary activities before finance costs and exceptional Items (3+4)	603	193069	206631	380507	592944	783485	
6 Finance costs	-	145105	148401	297036	415707	564208	
7 Exceptional items (see note 6)	-	(263872)	-	(263872)	-	-	
8 Profit / (loss) from ordinary activities before tax (5-6±7)	603	(215908)	58230	(180401)	177237	219277	
9 Tax expense (net) (see note 3, 5 and 6)	247	(74770)	18150	(63707)	45235	50728	
10 Net profit / (loss) from ordinary activities after tax (8-9)	356	(141138)	40080	(116694)	132002	168549	
11 Extraordinary items (net of tax)	-	-	-	-	-	-	
12 Net profit / (loss) after tax (10±11)	356	(141138)	40080	(116694)	132002	168549	
13 Paid-up equity share capital (see note 10) (Face value ₹ 10/- each)	159402	159402	159100	159402	159100	159278	
14 Reserves excluding revaluation reserves						1533674	
15 Analytical ratios							
(i) Capital adequacy ratio (see note 11)	114.69%	11.24%	24.82%	114.69%	24.82%	24.28%	
(ii) Earnings per share (of ₹ 10/- each)(not annualised)							
(a) Basic (₹) (see note 10)	0.03	(8.86)	2.50	(7.32)	8.54	10.83	
(b) Diluted (₹) (see note 10)	0.01	(8.83)	2.49	(7.31)	8.51	10.77	
(iii) NPA Ratio (see note 1 and 12)							
(a) Amount of gross NPA	-	146730	36858	-	36858	35757	
(b) Amount of net NPA	-	45345	25201	-	25201	11957	
(c) % of gross NPA to gross advances	-	3.17%	0.68%	-	0.68%	0.65%	
(d) % of net NPA to net advances	-	1.00%	0.47%	-	0.47%	0.22%	
(iv) Return on assets (annualised) (see note 12)	-	(6.35%)	1.84%	-	2.17%	2.03%	



Notes:

- 1 Pursuant to order of the Hon'ble Madras High Court dated June 25, 2015 approving the Scheme of Arrangement under Section 391-394 of the Companies Act, 1956, between the Company and IDFC Bank Limited and their respective shareholders and creditors and on receipt of final Banking Licence for IDFC Bank Limited for commencement of banking operations, the demerger has been recorded with effective date of October 1, 2015. Accordingly, assets amounting to ₹ 6623746 lakhs and liabilities amounting to ₹ 6000290 lakhs, resulting net assets amounting to ₹ 623456 lakhs, alongwith contingent liabilities of ₹ 28563 lakhs, capital commitment of ₹ 84005 lakhs and notional principal of derivative contract of ₹ 1390357 lakhs pertaining to the financial undertaking are transferred from the Company to IDFC Bank Limited and in consideration, equity shares of IDFC Bank Limited in the ratio of 1:1 have been issued to the shareholders of IDFC Limited. Post transfer of the Financing undertaking to IDFC Bank Limited, IDFC Limited is mainly an investment company, with minimal operations. Accordingly, the results for the quarter and nine months ended December 31, 2015 is not comparable with corresponding quarter / periods. Please refer note 8 below on discontinuing operations.
- 2 Income from operations for the nine months ended December 31, 2015 includes dividend from subsidiary companies of ₹ 20001 lakhs, nine months ended December 31, 2014 ₹ 8723 lakhs and for the year ended March 31, 2015 ₹ 8723 lakhs.
- 3 Having regard to the Part C of Schedule II of the Companies Act, 2013 during the previous year ended March 31, 2015, the Company had reviewed its policy of providing for depreciation on its tangible fixed assets and also reassessed their useful lives.
As a result, the charge on account of depreciation was lower for the nine months ended December 31, 2014 by ₹ 8269 lakhs and for the and for the year ended March 31, 2015 by ₹ 8430 lakhs. Consequently, deferred tax liability of ₹ 1549 lakhs for the nine months ended December 31, 2014 and ₹ 1623 lakhs for the year ended March 31, 2015 has been created on account of depreciation timing differences, resulting in a net increase in profit after tax of ₹ 6720 lakhs for the nine months ended December 31, 2014 and ₹ 6807 lakhs for the year ended March 31, 2015.
- 4 Other income for the nine months ended December 31, 2015 include profit of ₹ 175 lakhs on sale of 100% stake in IDFC Finance Limited to IDFC Projects Limited, a subsidiary of the Company. Other income for the nine months ended December 31, 2014 and 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. In addition, other income also includes interest on income tax refund of ₹ 17 lakhs for the nine months ended December 31, 2015, ₹ 6652 lakhs for the nine months ended December 31, 2014 and ₹ 7807 lakhs for the year ended March 31, 2015.
- 5 Tax expense is net of tax writeback for prior years amounting to ₹ 24 lakhs for the nine months ended December 31, 2015, ₹ 5260 lakhs for the nine months ended December 31, 2014 and ₹ 10991 lakhs for the year ended March 31, 2015.
- 6 Pursuant to the application made by the Company, the Reserve Bank of India ("RBI") has granted its approval to utilise the balance in the Statutory Reserves to create specific provision against identified stressed assets. Accordingly, the Company has during the nine months ended December 31, 2015, created specific provisions of ₹ 250000 lakhs on such assets. This one time provision alongwith reversal of unrealised interest on stressed assets have been charged to the Statement of Profit and Loss and classified as exceptional item. In accordance with the RBI approval, an amount equivalent to ₹ 163480 lakhs (Provision of ₹ 250000 lakhs net of deferred tax asset of ₹ 86520 lakhs) is transferred from the non distributable Statutory Reserve to the balance of Surplus in Statement of Profit and Loss in Reserves & Surplus.
- 7 During the nine months ended December 31, 2015, the Company has invested ₹ 878495 lakhs as equity in its regulated wholly owned subsidiary, IDFC Financial Holding Company Limited ("IDFC FHCL"), in compliance with the RBI Guidelines on Licensing of New Banks in the Private Sector dated February 22, 2013. Further, as per the guidelines, IDFC FHCL should hold investment in IDFC Bank Limited and all other regulated financial service entities of IDFC Group. Accordingly, during the nine months ended December 31, 2015, IDFC Limited has transferred its entire investments in all regulated subsidiaries, i.e. IDFC Alternatives Limited, IDFC Asset Management Company Limited, IDFC AMC Trustee Company Limited, IDFC Infra Debt Fund Limited, IDFC Securities Limited & IDFC Trustee Company Limited to its wholly owned subsidiary, IDFC FHCL for consideration received in cash. In addition, IDFC Finance Limited has surrendered its NBFC Licence and the Company has transferred its entire investments in IDFC Finance Limited to its wholly owned subsidiary, IDFC Projects Limited.



IDFC Limited



8 The results for the quarter and nine months ended December 31, 2015 and for the corresponding period / year includes the results of financing undertaking that has been transferred to IDFC Bank Limited under the Scheme of Arrangement w.e.f October 1, 2015. Financing activity is a discontinuing operation w.e.f October 1, 2015 in IDFC Limited. Based on the carve-out workings prepared by Management, information required under Accounting Standard 24 on Discontinuing Operations relating to financing undertaking is given below:

(₹ in lakhs)

Particulars	Quarter ended 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine months ended 31.12.2015	Nine months ended 31.12.2014	Year ended 31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(a) Revenue	-	225295	235090	433692	668782	911307
(b) Expenses	-	457251	(127745)	630641	502895	701906
(c) Pre tax profit / (loss)	-	(231956)	362835	(196949)	165887	209401
(d) Income Tax Expense	-	(75626)	17529	(65734)	42815	47552
(e) Total Asset						7671358
(f) Total Liabilities						6908206

9 Post demerger of the financing undertaking, as defined under the Scheme of Arrangement, the Company's main business will involve investment activities. As such, there are no reportable segments as per Accounting Standard 17 on 'Segment Reporting' as notified under the Companies (Accounting Standards) Rules, 2006. Prior to Demerger, the Company's main business was financing by way of loans and hence there were no reportable segments in previous periods.

10 During the nine months ended December 31, 2015 the Company has issued 1239802 equity shares of face value of ₹ 10 each pursuant to exercise of stock options by employees under the employee stock option scheme.

11 The Capital Adequacy Ratio ('CAR') as on September 30, 2015 was reduced on account of investment of ₹ 878500 lakhs in equity shares of its wholly owned subsidiary, IDFC FHCL pursuant to the transfer of the financial undertaking to IDFC Bank Limited on October 1, 2015. As per the RBI guidelines applicable to Non Banking Finance Companies, all investments in subsidiaries in excess of 10% of owned funds is required to be reduced from Tier I Capital. Had this investment not been reduced, the CAR would have been 24.57%. On transfer of assets & liabilities of the financing undertaking as defined under the Scheme of Arrangement as referred above to IDFC Bank on October 1, 2015, the Capital Adequacy ratio of the Company is restored to a level far in excess of the capital adequacy ratio as prescribed by the RBI.

12 In view of discontinuation of financing business, certain analytical ratios for the quarter and nine months ended December 31, 2015 are not disclosed. The disclosures for NPA referred to in note 15 (iii) above correspond to non performing advances.

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

(₹ in lakhs)

Particulars	Quarter ended 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine months ended 31.12.2015	Nine months ended 31.12.2014	Year ended 31.03.2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Income from operations	216132	251254	246005	689972	706858	963982
Net profit after tax	17618	(146883)	42160	(106525)	132473	170695
Earnings per share						
(a) Basic (₹)	1.10	(9.22)	2.64	(6.68)	8.57	10.96
(b) Diluted (₹)	1.09	(9.19)	2.62	(6.68)	8.54	10.91

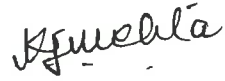


IDFC Limited




- 14 The above results were reviewed by the Audit Committee and approved by the Board of Directors on January 30, 2016 and have been subjected to a "Limited Review" by the Statutory Auditors.
- 15 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


Kalpesh J. Mehta
Partner
Mumbai, January 30, 2016

FOR AND ON BEHALF OF THE BOARD


Vikram Limaye
Managing Director & CEO

