

B S R & Co. LLP

Chartered Accountants

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Private and confidential

The Board of Directors
IDFC FIRST Bank Limited
(formerly known as 'IDFC Bank Limited')
Naman Chambers
C-32, G-Block, Bandra-Kurla Complex
Bandra (East)
MUMBAI 400 051

29 July 2020

Dear Sirs

Independent auditor's certificate on compliance of IDFC FIRST Bank Limited – Employee Stock Option Scheme 2015 (ESOS – 2015) with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (last amended on March 6, 2017)

1. This certificate is issued in accordance with the terms of engagement letter dated 22 July 2020 wherein we are required to provide a certificate on the compliance of ESOS 2015 (the 'Scheme') of IDFC FIRST Bank Limited (the 'Bank') as approved by the shareholders of the Bank vide special resolution passed at their Extra-Ordinary General Meeting held on 9 December 2014 and further amended by the shareholders of the Bank vide special resolution passed at their Annual General Meeting held on 29 September 2015, 27 July 2016 and 25 July 2019 with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (last amended on March 6, 2017) (the "SBEB Regulations").
2. As per the SBEB Regulations, the Board of Directors of every company that has passed a resolution for Share Based Employee Benefit Scheme is required to place before the shareholders at each annual general meeting, a certificate from the statutory auditors of the company that the Scheme have been implemented in accordance with the SBEB Regulations and in accordance with the terms of the resolution passed by the company in the general meeting and through e-voting.

Management's responsibility

3. The Bank's management is solely responsible for ensuring that the Scheme have been implemented in accordance with the SBEB Regulations and in accordance with the terms of the resolutions passed by the Bank in the general meetings and through e-voting, including the preparation and maintenance of all accounting and other relevant supporting records, documents and an internal control structure sufficient to permit timely and reliable recording of transactions and prevention and detection of frauds and errors. The Bank's Management is also responsible for providing all relevant information to SEBI and to us in this regard.

Auditor's responsibility

4. For the purpose of this certificate, we have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof. Accordingly, we do not express such an opinion.
5. Our responsibility is to provide limited assurance on compliance by the Bank with the requirements of the SBEB Regulations. For the purpose of this certificate, we have planned and performed the following procedure:
 - a) Obtained the resolutions passed by the Board of Directors of the Bank in its Extra-Ordinary Meeting held on 9th December 2014 approving IDFC FIRST Bank Limited Employee Stock Option Scheme, 2015 ('ESOS 2015');
 - b) Obtained the resolutions approved by shareholders of the Bank at the Annual General Meeting held on 25 July 2019 approving modifications in ESOS 2015; and
 - c) Verified that the Schemes have been implemented in accordance with the SBEB Regulations.
6. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

9. Based on the information and explanations provided to us, procedures performed as mentioned in paragraph 5 and on the basis of representation provided by the management of the Bank, nothing has come to our attention that causes us to believe that the implementation of IDFC FIRST Bank Limited - Employee Stock Option Scheme 2015 ('ESOS-2015'), approved by the Bank at its extraordinary general meeting held on 9 December 2014 and modification to it were approved in the annual general meeting held on 25 July 2019 are not in compliance with SBEB Regulations and not in accordance with the terms of the resolutions passed by the Bank in the general meetings and through remote e-voting and tablet based electronic voting system. We state that such compliance is neither an assurance as to the future viability of the Bank nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

B S R & Co. LLP

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29 July 2020
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Restriction of use

10. This certificate is addressed to the Board of Directors and issued to the Bank solely for placing before the Bank's shareholders at its Sixth Annual General Meeting of the Bank to be held on 30 July 2020 and should not be used for any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Yours sincerely

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ashwin Suvarna
Partner
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