

IDFCFIRSTBANK/SD/048/2020-21

May 22, 2020

The Manager-Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051.
Tel No.: 022 – 2659 8237/ 38
NSE - Symbol – IDFCFIRSTB

The Manager-Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001.
Tel No.: 022 – 2272 2039/ 37/ 3121
BSE - Scrip Code – 539437

Sub.: IDFC FIRST Bank - Outcome of the Board Meeting held on May 22, 2020

Dear Sir / Madam,

This is to inform you that the Board of Directors (“the **Board**”) of IDFC FIRST Bank (“the **Bank**”) at its meeting held today i.e. May 22, 2019 has *inter – alia* considered and approved the following:

1. The Audited Annual Financial Results (Standalone and Consolidated) of the Bank for the quarter and financial year ended March 31, 2020, prepared pursuant to Regulation 33 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time.

Please find enclosed herewith the aforesaid financial results along with the Auditors Report thereon issued by B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022), Statutory Auditors of the Bank.

The Statutory Auditors have issued unmodified opinion with respect to the Audited Financial Results (Standalone and Consolidated) of the Bank for the quarter and financial year ended March 31, 2020.

2. Appointment of B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022), as Statutory Auditors of the Bank to hold office from conclusion of the 6th Annual General Meeting (“**AGM**”) till the conclusion of 7th AGM, subject to approval of the Members of the Bank.

In terms of Section 30(1A) of the Banking Regulation Act, 1949, the Bank has received approval from the Reserve Bank of India (“**RBI**”) for appointment of B S R & Co. LLP, Chartered Accountants, as Statutory Auditors for the year 2020-21, for their second year. Brief Profile of B S R & Co. LLP, Chartered Accountants is enclosed herewith.

3. The enabling resolution relating to borrowing/ raising of funds through issue of debt instruments, on Private Placement basis, up to an amount not exceeding Rs. 5,000 crore (Rupees Five Thousand Crore only), over and above the outstanding debt securities issued by the Bank, within the overall borrowing limits of the Bank, in one or more tranches/ series, for a period of one year from the conclusion of 6th Annual General Meeting of the Bank, subject to approval of the Members of the Bank and other applicable statutory/regulatory approvals.
4. The Board of Directors have not proposed any dividend for FY 2019-20.

As required under the Listing Regulations, all the above-mentioned documents are also being posted on our website www.idfcfirstbank.com.

The meeting of the Board of Directors of the Bank commenced at 10:30 a.m. and concluded at 04:40 p.m.

Please take the above on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For **IDFC FIRST Bank Limited**

Satish Gaikwad

Head – Legal & Company Secretary

Encl.: as above

Brief Profile of Statutory Auditors

B S R & Co. LLP, is a Chartered Accountant Firm registered with The Institute of Chartered Accountants of India (“ICAI”) with Firm Registration No. 101248W/W-100022. The firm has presence in 14 cities in India. The Firm has been closely working with regulatory bodies in various capacities. The Firm has significant experience in auditing financial services clients including banks.

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Auditor's Report on the Standalone Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Independent Auditor's Report

To Board of Directors of IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Report on the Audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) ("the Bank") for the year ended 31 March 2020, attached herewith, (the "standalone financial results"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at 31 March 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the standalone financial results and have not been audited by us. Attention is drawn to the fact that the figures for the last quarter ended 31 March 2020 as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31 March 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the standalone financial results and have not been audited by us; and
- (ii) give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net loss and other financial information for the year ended 31 March 2020.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011 India

Auditor's Report on the Standalone Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As more fully described in Note 8 to the standalone financial results, the Bank has recognized provision on loans that were overdue but standard as at 29 February 2020, for which the moratorium benefit has been granted, based on the days past due status as at 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As more fully described in Note 8 to the standalone financial results, the extent to which the COVID -19 pandemic will have an impact on Bank's financial performance is dependent on future developments, which are highly uncertain.

Our opinion on the standalone financial results is not modified in respect of the above matters.

Responsibilities of Management and those Charged with Governance for the Standalone Annual Financial Results

These standalone financial results have been prepared on the basis of the standalone annual financial statements and reviewed quarterly financial results upto the end of the third quarter. The Bank's Management and Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Report on the Standalone Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Responsibilities of Management and those Charged with Governance for the Standalone Annual Financial Results (Continued)

In preparing the standalone financial results, Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Auditor's Report on the Standalone Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

IDFC FIRST Bank Limited
(Formerly, IDFC Bank Limited)

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (Continued)

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative figures for the quarter and year ended 31 March 2019 provided in the standalone financial results have been audited by the predecessor auditor who expressed an unmodified opinion on those Statement of Audited Standalone Financial Results vide their Independent Auditors' Report dated 10 May 2019.

Our opinion on the standalone financial results is not modified in respect of this matter.

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

Mumbai
22 May 2020

Manoj Kumar Vijai
Partner
Membership No: 046882
UDIN: 20046882AAAABH8837



IDFC FIRST Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu
CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for year ended March 31, 2020 (Standalone)

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2020	Quarter ended 31.12.2019	Quarter ended 31.03.2019	Year ended 31.03.2020 (refer note 11)	Year ended 31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	395586.48	410016.63	362878.71	1586730.97	1194817.24
	(a) Interest/discount on advances/bills	300094.65	298359.11	259411.14	1163454.48	782553.75
	(b) Income on investments	86528.60	102868.42	98251.45	391728.49	390565.35
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	4538.21	605.96	834.98	8052.43	2318.68
	(d) Others	4425.02	8183.14	4381.14	23495.57	19379.46
2	Other Income (refer note 6)	48376.99	57897.74	27332.08	172215.77	85208.39
3	TOTAL INCOME (1+2)	443963.47	467914.37	390210.79	1758946.74	1280025.63
4	Interest Expended	239236.66	256589.18	251592.80	1023199.89	874908.34
5	Operating Expenses (i)+(ii)	152749.80	143154.23	114758.28	542073.26	328738.65
	(i) Employees cost	36355.62	39856.79	34803.04	152758.24	111819.15
	(ii) Other operating expenses	116394.19	103297.44	79955.24	389315.02	216919.50
6	TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	391986.46	399743.41	366351.08	1565273.15	1203646.99
7	Operating Profit (3-6) (Profit before provisions and contingencies)	51977.01	68170.96	23859.71	193673.59	76378.64
8	Provisions (other than tax) and Contingencies (Net)	41238.39	230475.59	65531.45	431525.34	145962.61
9	Exceptional Items (refer note 4)	-	-	-	-	259934.67
10	Profit / (Loss) from Ordinary Activities before tax (7-8-9)	10738.62	(162304.63)	(41671.74)	(237851.75)	(329518.64)
11	Tax Expense (refer note 9)	3584.58	1584.71	(19868.70)	48569.29	(135100.81)
12	Net Profit / (Loss) from Ordinary Activities after tax (10-11)	7154.04	(163889.34)	(21803.04)	(286421.04)	(194417.83)
13	Extraordinary Items (net of tax expense)	-	-	-	-	-
14	Net Profit / (Loss) for the period (12-13)	7154.04	(163889.34)	(21803.04)	(286421.04)	(194417.83)
15	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 5)	480990.30	478945.80	478167.64	480990.30	478167.64
16	Reserves excluding Revaluation Reserves				1053269.74	1337758.50
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India (refer note 5)	5.43%	5.46%	5.47%	5.43%	5.47%
	(ii) Capital adequacy ratio (Basel III)	13.38%	13.29%	15.47%	13.38%	15.47%
	(iii) Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 5)					
	- Basic (₹)	0.15	(3.43)	(0.46)	(5.98)	(4.75)
	- Diluted (₹)	0.15	(3.38)	(0.45)	(5.91)	(4.71)
	(iv) NPA ratios					
	(a) Amount of gross NPAs	227956.44	251136.20	213604.28	227956.44	213604.28
	(b) Amount of net NPAs	80857.45	107162.68	110662.76	80857.45	110662.76
	(c) % of gross NPAs to gross advances	2.60%	2.83%	2.43%	2.60%	2.43%
	(d) % of net NPAs to net advances	0.94%	1.23%	1.27%	0.94%	1.27%
	(v) Return on assets (annualized)	0.18%	(4.02%)	(0.55%)	(1.79%)	(1.20%)

Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the Bank is as under :

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2020	Quarter ended 31.12.2019	Quarter ended 31.03.2019	Year ended 31.03.2020 (refer note 11)	Year ended 31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue					
	a Treasury	287917.57	331431.89	181259.18	1286601.96	655268.25
	b Wholesale Banking	189745.33	198937.28	120347.45	802832.92	467171.63
	c Retail Banking	319544.29	307670.51	167260.35	1133747.06	389920.99
	d Other Banking Business	4033.80	4988.92	862.11	15852.68	2105.82
	e Unallocated	373.85	3987.98	275.28	4349.09	3486.42
	Total Segment Revenue	801614.84	847016.58	470004.37	3243383.71	1517953.11
	Add/(Less) : Inter Segment Revenue	(357651.37)	(379102.21)	(79793.58)	(1484436.97)	(237927.48)
	Income from Operations	443963.47	467914.37	390210.79	1758946.74	1280025.63
2	Segment Results After Provisions & Before Tax					
	a Treasury	35928.12	(81998.73)	(22319.83)	(124168.21)	(17595.95)
	b Wholesale Banking	3413.98	(55756.18)	11878.13	(2560.72)	53286.89
	c Retail Banking	(28664.58)	(12905.01)	(9818.06)	(91732.78)	(42748.37)
	d Other Banking Business	(952.71)	(5305.13)	490.04	(628.64)	746.61
	e Unallocated	1013.81	(6339.58)	(21902.02)	(18761.40)	(323207.82)
	Total Profit Before Tax	10738.62	(162304.63)	(41671.74)	(237851.75)	(329518.64)
3	Segment Assets					
	a Treasury	5772753.85	6838246.30	7262483.59	5772753.85	7262483.59
	b Wholesale Banking	3066045.37	3296404.25	4555751.24	3066045.37	4555751.24
	c Retail Banking	5733425.62	5581916.62	4494344.46	5733425.62	4494344.46
	d Other Banking Business	7636.90	6198.02	748.92	7636.90	748.92
	e Unallocated	340178.12	345674.40	405157.94	340178.12	405157.94
	Total Segment Assets	14920039.86	16068439.59	16718486.15	14920039.86	16718486.15
4	Segment Liabilities					
	a Treasury	5829458.54	7335314.69	6251666.20	5829458.54	6251666.20
	b Wholesale Banking	3907267.83	4000422.06	4344524.56	3907267.83	4344524.56
	c Retail Banking	3623642.03	3165546.76	4281297.30	3623642.03	4281297.30
	d Other Banking Business	7057.09	9957.46	957.98	7057.09	957.98
	e Unallocated	18354.33	33199.26	24113.97	18354.33	24113.97
	Total Segment Liabilities	13385779.82	14544440.23	14902560.01	13385779.82	14902560.01
5	Capital Employed (Segment Assets - Segment Liabilities)	1534260.04	1523999.36	1815926.14	1534260.04	1815926.14

Business segments have been identified and reported taking into account the target customer segment, the nature of products, internal business reporting system, transfer pricing policy approved by Asset Liability Committee (ALCO), the guidelines prescribed by the Reserve Bank of India ('the RBI'), which has been relied upon by the auditors.

- 1 Statement of Assets and Liabilities of the Bank as at March 31, 2020 is given below :

(₹ in lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
	(Audited)	(Audited)
CAPITAL AND LIABILITIES		
Capital (refer note 5)	480990.30	478167.64
Reserves and surplus	1053269.74	1337758.50
Deposits	6510797.12	7047900.87
Borrowings	5739718.55	6998339.02
Other liabilities and provisions	1135264.15	856320.12
TOTAL	14920039.86	16718486.15
ASSETS		
Cash and balances with Reserve Bank of India	337992.09	414953.14
Balances with banks and money at call and short notice	81086.42	541724.56
Investments	4540457.98	5847538.54
Advances	8559535.95	8630228.59
Fixed Assets	103772.65	95020.51
Other Assets	1297194.77	1189020.81
TOTAL	14920039.86	16718486.15

- 2 The above results were reviewed by the Audit Committee and approved by the Board of Directors on May 22, 2020. The statutory auditors have issued an unmodified audit opinion on financial statement for the year ended March 31, 2020. The information presented above is extracted from the audited financial statements.
- 3 The above financial results of the Bank have been prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting Standards as specified under Section 133 of the Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to Banks, and the guidelines issued by the RBI. In addition, the Bank has automated its key operations with key applications largely integrated with core banking solution and general ledger system. Accordingly, branch returns are not required to be submitted.
- 4 The merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited and Capital First Securities Limited with erstwhile IDFC Bank Limited ('IDFC - CFL Merger') was accounted under the 'Purchase Method' as per Accounting Standard 14 on 'Accounting for Amalgamations' and as per the specific provisions of the scheme. Accordingly, net assets of erstwhile Capital First Limited and its subsidiaries aggregating to ₹ 2,752.98 crore as at appointed date were recorded by the Bank at fair value as determined by an independent valuer. In view of the share swap ratio of 13.9:1, the Bank issued 137,71,09,057 equity shares as purchase consideration at fair value. The difference between the purchase consideration and fair value of net assets is represented by Goodwill on amalgamation of ₹ 2,390.53 crore and recorded accordingly.

Under Section 15 of the Banking Regulation Act 1949, banks are restricted from declaring dividend in the event a bank carries intangible assets such as goodwill on its Balance Sheet. Therefore, as a prudent measure, intangible assets acquired or arising on amalgamation had been fully amortised through profit and loss account in the year ended March 31, 2019. This accelerated amortisation charge to profit and loss account of ₹ 2,599.35 crore was exceptional in nature and resulted in loss for the previous year and corresponding quarter.

- 5 During the quarter and year ended March 31, 2020, the Bank has issued 20444980 and 28226604 equity shares respectively of face value of ₹10 each pursuant to the exercise of options under the Employee Stock Option Scheme.
- 6 "Other Income" includes non-fund based income such as commission, fees, earnings from foreign exchange and derivative transactions, profit / loss from sale of investments.
- 7 The Board of Directors have not proposed any dividend for FY 2019-20 (Previous year Nil). Further, it may be noted that RBI vide its circular no. RBI/2019-20/218 DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 has directed that banks shall not make any further dividend pay-outs from the profits pertaining to the financial year ended March 31, 2020 until further instructions. The RBI advised that in an environment of heightened uncertainty caused by COVID-19, it is important that banks conserve capital to retain their capacity to support the economy and absorb losses. This restriction shall be reassessed by the Reserve Bank based on the financial results of banks for the quarter ending September 30, 2020.

- 8 The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and companies, including the Bank, have introduced a variety of measures to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank. The Bank's capital and liquidity position is strong and would continue to be the focus area for the bank during this period.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all eligible accounts, where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms). The Bank has created additional provisions amounting to ₹ 225 crores during Q4 FY2020 against the potential impact of COVID-19 on standard assets based on all the available information at this point in time. This includes ₹ 25 crores as the minimum amount required at March 31, 2020 (In respect of borrowers to whom the benefit of asset classification was extended) as prescribed by Reserve Bank of India in terms of circular dated April 17, 2020; while the RBI has permitted this amount to be spread over two quarters, the Bank has decided to provide for the entire amount in the current quarter.

- 9 During the Q2 FY2020 the Bank elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank had recognised Provision for Income Tax for Q2 FY2020 and re-measured its Deferred tax assets/ liability basis the revised rate of 25.17% which resulted in one time tax impact of ₹ 750.50 crore.
- 10 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC. 80/21/21.06.201/ 2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : <http://www.idfcfirstbank.com/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.
- 11 In view of accounting for IDFC - CFL merger from appointed date of October 1, 2018, the figures year ended March 31, 2020 are not comparable to the corresponding figures of the previous periods. The figures for the previous quarter/period have been regrouped wherever necessary in order to make them comparable.
- 12 The Bank has followed the same significant accounting policies in the preparation of these financial results as those followed in the annual financial statements for the year ended March 31, 2020 and March 31, 2019.
- 13 The Board, at its meeting held on May 01, 2020 had, subject to the approval of the Shareholders and such other requisite approvals, approved the preferential issue, involving the issue and allotment of up to 86,24,40,704 equity shares, fully paid-up, at the price of ₹ 23.19/- per equity share (including premium), aggregating up to ₹ 2,000 crore (rounded off) on a preferential basis in accordance with the applicable provisions of law.
- 14 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year which was subject to limited review.
- 15 The above financial results have been reviewed/audited by the statutory auditors, B S R & Co. LLP, Chartered Accountants.
- 16 The figures for the quarter and year ended March 31, 2019 provided in the statement of financial results were audited by another firm of chartered accountants.

17 Cash Flow Statement of the Bank for the year ended March 31, 2020 is given below:

		As at 31.03.2020	As at 31.03.2019
		(Audited)	(Audited)
A	<u>Cash flow from operating activities</u>		
	Profit before taxes	(237851.75)	(329518.64)
	Adjustments for :		
	Depreciation on fixed assets	30544.47	281267.51
	Amortisation of premium on held to maturity investments	12869.52	13354.69
	Provision for depreciation in value of investments	105149.04	37410.35
	Provision/(Write back) towards non performing advances	44158.07	(10591.77)
	Provision/(Write back) for restructured assets	2059.15	(2020.65)
	Provision/(Write back) on identified standard assets	(4106.18)	5519.54
	Provision for standard assets	33094.72	372.15
	Loss on sale of fixed assets (net)	17.31	122.57
	Loss on sale of loans to ARC	-	81368.30
	Bad debts including technical / prudential write off (net of recoveries)	138643.56	28661.87
	Other provisions and contingencies	112526.96	5243.88
	Adjustments for working capital changes:		
	Decrease in investments (excluding held to maturity investment and investment in subsidiary)	1526162.83	351449.87
	Increase in advances	(110061.96)	(751287.77)
	Increase/(decrease) in deposits	(537103.74)	2228080.61
	Increase in other assets	(256396.00)	(245437.29)
	Increase in other liabilities and provisions	245849.31	27595.30
	Direct taxes paid (net of refunds)	(12874.24)	7747.27
	Net cash flow generated from/(used in) operating activities (A)	1092681.07	1729337.80
B	<u>Cash flow from investing activities</u>		
	Purchase of fixed assets	(40052.64)	(26085.04)
	Proceeds from sale of fixed assets	738.72	419.80
	Increase in held to maturity investments	(337100.82)	(109277.32)
	Dividend from subsidiary	-	6,696.00
	Net cash flow generated used in investing activities (B)	(376414.75)	(128246.56)
C	<u>Cash flow from financing activities</u>		
	Decrease in borrowings	(1258620.47)	(1190994.16)
	Proceeds from issue of share capital (other than shares issued on amalgamation)	4754.96	215.41
	Payment of securities issue expenses	-	(473.88)
	Payment of dividend (including dividend distribution tax)	-	(29402.40)
	Net cash flow generated used in financing activities (C)	(1253865.51)	(1220655.02)
D	<u>Net increase/(decrease) in cash and cash equivalents (A+B+C)</u>	(537599.19)	380436.22
	Cash and cash equivalents at the beginning of period	956677.70	489179.74
	Cash and cash equivalents acquired on amalgamation	-	87061.74
	Cash and cash equivalents at the end of period	419078.51	956677.70

For and behalf of the Board of Directors
of IDFC FIRST Bank Limited

Date: May 22, 2020
Place: Mumbai

V. Vaidyanathan
Managing Director & Chief Executive Officer

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
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India

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Auditor's Report on the Consolidated Annual Financial Results of IDFC FIRST Bank Limited (*Formerly, IDFC Bank Limited*) pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Independent Auditor's Report

To Board of Directors of IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Report on the Audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Annual Financial Results of IDFC FIRST Bank Limited (*Formerly, IDFC Bank Limited*) ("the Bank") and its subsidiary (the parent and its subsidiary together referred to as "the Group") and its share of the net profit of its associate for the year ended 31 March 2020, attached herewith, (the "consolidated financial results"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 March 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the consolidated financial results and have not been audited by us. Attention is drawn to the fact that the figures for the last quarter ended 31 March 2020 as reported in these consolidated financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures upto the end of the third quarter of the financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of another auditor on separate audited financial statements of one subsidiary and management certified accounts of one associate, the aforesaid consolidated financial results:

- (i) include the annual financial results of the following entities
- IDFC FIRST Bank Limited (*Formerly, IDFC Bank Limited*)
 - Subsidiary: IDFC FIRST Bharat Limited (*Formerly, IDFC Bharat Limited*) and
 - Associate: Millennium City Expressway Private Limited

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011 India

Auditor's Report on the Consolidated Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Opinion (Continued)

- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations except for the disclosures relating to consolidated Pillar 3 disclosure as at 31 March 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the consolidated financial results and have not been audited by us; and
- (iii) give a true and fair view, in conformity with the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India, of the consolidated net loss and other financial information of the Group including its associate for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. ("Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

As more fully described in Note 8 to the consolidated financial results, the Bank has recognized provision on loans that were overdue but standard as at 29 February 2020, for which the moratorium benefit has been granted, based on the days past due status as at 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As more fully described in Note 8 to the consolidated financial results, the extent to which the COVID - 19 pandemic will have an impact on Bank's financial performance is dependent on future developments, which are highly uncertain.

Our opinion on the consolidated financial results is not modified in respect of the above matters.

Auditor's Report on the Consolidated Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Responsibilities of Management and Those Charged with Governance for the Consolidated Annual Financial Results

These consolidated financial results have been prepared on the basis of the consolidated financial statements and reviewed quarterly consolidated financial results up to the end of the third quarter. The Bank's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the consolidated net loss and other financial information of the Group including its associate in accordance with the Accounting Standards specified under section 133 of the Act, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Bank, as aforesaid.

In preparing the consolidated financial results, the respective Management and Board of Directors of the entities included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial Results.

Auditor's Report on the Consolidated Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group and its associate to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's Report on the Consolidated Annual Financial Results of IDFC FIRST Bank Limited (Formerly, IDFC Bank Limited) pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

IDFC FIRST Bank Limited

(Formerly, IDFC Bank Limited)

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 20,857 lakhs as at 31 March 2020, total revenues of Rs. 37,699 lakhs and net cash flows amounting to Rs. (5,030) lakhs for the year ended on that date as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the one subsidiary is based solely on the audit reports of the other auditors.

The consolidated financial results also include the Group's share of net profit/loss after tax of Rs. NIL for the year ended 31 March 2020, as considered in the consolidated financial results, in respect of one associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

The comparative figures for the year ended 31 March 2019 provided in the consolidated financial results have been audited by the predecessor auditor who expressed an unmodified opinion on those Statement of Audited Consolidated Financial Results vide their Independent Auditors' Report dated 10 May 2019.

Our opinion on the consolidated financial results is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Mumbai
22 May 2020

Manoj Kumar Vijai

Partner

Membership No: 046882

UDIN: 20046882AAAABI7346



IDFC FIRST Bank Limited

Registered Office: KRM Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai 600031, Tamilnadu

CIN : L65110TN2014PLC097792

Statement of Audited Financial Results for the quarter and year ended March 31, 2020 (Consolidated)

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2020	Quarter ended 31.12.2019	Quarter ended 31.03.2019 (refer note 12)	Year ended 31.03.2020 (refer note 11)	Year ended 31.03.2019
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Interest Earned (a)+(b)+(c)+(d)	406948.48	419905.61	369744.83	1624031.90	1220401.64
	(a) Interest/discount on advances/bills	311446.82	308238.70	267034.21	1200716.74	808097.57
	(b) Income on investments	86528.60	102868.42	98251.45	391728.49	390565.35
	(c) Interest on balances with Reserve Bank of India and other inter- bank funds	4538.21	605.96	834.33	8052.43	2318.68
	(d) Others	4434.85	8192.53	3624.84	23534.24	19420.04
2	Other Income	48358.80	57915.38	27337.15	172240.87	85216.26
3	TOTAL INCOME (1+2)	455307.28	477820.99	397081.98	1796272.77	1305617.90
4	Interest Expended	239173.43	256513.69	251467.58	1022826.95	874324.14
5	Operating Expenses (i) + (ii)	163052.35	152185.22	120742.99	576479.58	349128.91
	(i) Employees cost	43980.01	46865.75	39390.10	179500.57	127937.48
	(ii) Other operating expenses	119072.34	105319.47	81352.89	396979.01	221191.43
6	TOTAL EXPENDITURE (4+5) (excluding provisions and contingencies)	402225.78	408698.91	372210.57	1599306.53	1223453.05
7	Operating Profit (3–6) (Profit before provisions and contingencies)	53081.50	69122.08	24871.41	196966.24	82164.85
8	Provisions (other than tax) and Contingencies (Net)	41268.35	230475.60	65542.37	431555.72	143187.28
9	Exceptional Items (refer note 4)	-	-	-	-	259934.67
10	Profit / (Loss) from Ordinary Activities before tax (7–8–9)	11813.15	(161353.52)	(40670.96)	(234589.48)	(320957.10)
11	Tax Expense (refer note 9)	4176.69	1806.16	(19458.07)	49749.55	(132955.37)
12	Net Profit / (Loss) from Ordinary Activities after tax (10–11)	7636.46	(163159.68)	(21212.89)	(284339.03)	(188001.73)
13	Extraordinary Items (net of tax expense)	-	-	-	-	-
14	Net Profit / (Loss) for the period (12–13)	7636.46	(163159.68)	(21212.89)	(284339.03)	(188001.73)
15	Share in loss of Associate	-	-	-	-	(2786.25)
16	Consolidated Net Profit / (Loss) for the period (14+15)	7636.46	(163159.68)	(21212.89)	(284339.03)	(190787.98)
17	Paid-up Equity Share Capital (Face Value ₹ 10 per share) (refer note 6)	480990.30	478945.80	478167.64	480990.30	478167.64
18	Reserves excluding Revaluation Reserves				1059361.99	1341768.74
19	Analytical Ratios (refer note 10)					
	Earnings per share (EPS) for the period / year (before and after extraordinary items) (not annualized) (refer note 6)					
	- Basic (₹)	0.16	(3.41)	(0.44)	(5.94)	(4.66)
	- Diluted (₹)	0.16	(3.36)	(0.44)	(5.86)	(4.63)

Consolidated Segment Information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the Group is as under :

(₹ in lakhs)

Sr. No.	Particulars	Quarter ended 31.03.2020	Quarter ended 31.12.2019	Quarter ended 31.03.2019 (refer note 12)	Year ended 31.03.2020 (refer note 11)	Year ended 31.03.2019
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Segment Revenue					
	a Treasury	287917.57	331431.89	181259.18	1286601.96	655268.25
	b Wholesale Banking	189745.33	198937.28	124622.02	802832.92	467171.63
	c Retail Banking	330888.12	317577.13	169856.98	1171073.11	415513.27
	d Other Banking Business	4033.78	4988.92	862.11	15852.66	2105.82
	e Unallocated	373.85	3987.98	275.28	4349.09	3486.42
	Total Segment Revenue	812958.65	856923.20	476875.57	3280709.74	1543545.39
	Add/(Less) : Inter Segment Revenue	(357651.37)	(379102.21)	(79793.58)	(1484436.97)	(237927.48)
	Income from Operations	455307.28	477820.99	397081.98	1796272.77	1305617.90
2	Segment Results After Provisions & Before Tax					
	a Treasury	35928.12	(81998.73)	(22319.83)	(124168.21)	(14809.70)
	b Wholesale Banking	3413.98	(55756.18)	16152.70	(2560.72)	53286.89
	c Retail Banking	(27590.05)	(11953.90)	(13091.85)	(88470.51)	(36973.08)
	d Other Banking Business	(952.71)	(5305.13)	490.04	(628.64)	746.61
	e Unallocated	1013.80	(6339.58)	(21902.02)	(18761.41)	(323207.82)
	Total Profit Before Tax and Earnings from Associates	11813.14	(161353.52)	(40670.96)	(234589.49)	(320957.10)
3	Segment Assets					
	a Treasury	5749738.22	6815230.68	7239467.97	5749738.22	7239467.97
	b Wholesale Banking	3066045.37	3296404.25	4555751.24	3066045.37	4555751.24
	c Retail Banking	5751048.34	5600227.89	4508142.94	5751048.34	4508142.94
	d Other Banking Business	7636.90	6198.02	748.92	7636.90	748.92
	e Unallocated	341386.36	347094.21	405782.32	341386.36	405782.32
	Total Segment Assets	14915855.19	16065155.05	16709893.38	14915855.19	16709893.39
4	Segment Liabilities					
	a Treasury	5829304.85	7335217.93	6251595.81	5829304.85	6251595.81
	b Wholesale Banking	3906331.02	3999830.37	4344210.07	3906331.02	4344210.07
	c Retail Banking	3614909.80	3157732.79	4270051.53	3614909.80	4270051.53
	d Other Banking Business	6878.93	9844.51	957.98	6,878.93	957.98
	e Unallocated	18078.30	32920.24	23141.62	18078.30	23141.62
	Total Segment Liabilities	13375502.90	14535545.84	14889957.01	13375502.90	14889957.01
5	Capital Employed (Segment Assets - Segment Liabilities)	1540352.29	1529609.21	1819936.37	1540352.29	1819936.38

Business segments have been identified and reported taking into account the target customer segment, the nature of products, internal business reporting system, transfer pricing policy approved by Asset Liability Committee (ALCO), the guidelines prescribed by the Reserve Bank of India ('the RBI'), which has been relied upon by the auditors.

Notes:

1 Statement of Assets and Liabilities of the Group as at March 31, 2020 is given below :

(₹ in lakhs)

Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
CAPITAL AND LIABILITIES		
Capital (refer note 6)	480990.30	478167.64
Reserves and surplus	1059361.99	1341768.74
Deposits	6507894.13	7035359.07
Borrowings	5739718.55	6998339.02
Other liabilities and provisions	1127890.21	856258.92
TOTAL	14915855.18	16709893.39
ASSETS		
Cash and balances with Reserve Bank of India	334841.98	410093.21
Balances with banks and money at call and short notice	81442.41	542522.13
Investments	4517442.35	5824522.91
Advances	8559535.95	8630228.59
Fixed Assets	107323.14	97404.09
Other Assets	1315269.35	1205122.46
TOTAL	14915855.18	16709893.39

- 2 The above financial results represent the consolidated financial results for IDFC FIRST Bank Limited ('the Bank' or 'Holding company'), its subsidiary together constituting the 'Group' and share of profit / loss of its associate. The above results for the quarter and year ended March 31, 2020 were reviewed by the Audit Committee and approved by the Board of Directors on May 22, 2020. The statutory auditors have issued an unmodified audit opinion on the financial statements for FY19-20. The information presented above is extracted from the audited financial statements.
- 3 The consolidated financial results are prepared in accordance with the provisions of the Banking Regulation Act, 1949, Generally Accepted Accounting Principles in India, including Accounting standards as specified under Section 133 of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 in so far as they apply to banks, and the guidelines issued by the RBI.
- 4 The merger of Capital First Limited and its wholly owned subsidiaries, Capital First Home Finance Limited and Capital First Securities Limited with erstwhile IDFC Bank Limited ('IDFC - CFL Merger') was accounted under the 'Purchase Method' as per Accounting Standard 14 on 'Accounting for Amalgamations' and as per the specific provisions of the scheme. Accordingly, net assets of erstwhile Capital First Limited and its subsidiaries aggregating to ₹ 2,752.98 crore as at appointed date were recorded by the Bank at fair value as determined by an independent valuer. In view of the share swap ratio of 13.9:1, the Bank issued 137,71,09,057 equity shares as purchase consideration at fair value. The difference between the purchase consideration and fair value of net assets is represented by Goodwill on amalgamation of ₹ 2,390.53 crore and recorded accordingly.

Under Section 15 of the Banking Regulation Act 1949, banks are restricted from declaring dividend in the event a bank carries intangible assets such as goodwill on its Balance Sheet. Therefore, as a prudent measure, intangible assets acquired or arising on amalgamation had been fully amortised through profit and loss account in the year ended March 31, 2019. This accelerated amortisation charge to profit and loss account of ₹ 2,599.35 crore was exceptional in nature and resulted in loss for the previous year and corresponding quarter.

- 5 In accordance with the RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' and the RBI circular DBR.No.BP.BC.80/21/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments', banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. The Bank has made these disclosures on its website at the link : <http://www.idfcfirstbank.com/regulatory-disclosures.html>. These disclosures have not been subjected to audit or limited review by the Statutory Auditors of the Bank.
- 6 During the quarter and year ended March 31, 2020, the holding company has issued 20444980 and 28226604 equity shares respectively of face value of ₹10 each pursuant to the exercise of options under the Employee Stock Option Scheme.

- 7 The Board of Directors have not proposed any dividend for FY 2019-20 (Previous year Nil). Further, it may be noted that RBI vide its circular no. RBI/2019-20/218 DOR.BP.BC.No.64/21.02.067/2019-20 dated April 17, 2020 has directed that banks shall not make any further dividend pay-outs from the profits pertaining to the financial year ended March 31, 2020 until further instructions. The RBI advised that in an environment of heightened uncertainty caused by COVID-19, it is important that banks conserve capital to retain their capacity to support the economy and absorb losses. This restriction shall be reassessed by the Reserve Bank based on the financial results of banks for the quarter ending September 30, 2020.
- 8 The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments and companies, including the Bank, have introduced a variety of measures to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank. The Bank's capital and liquidity position is strong and would continue to be the focus area for the Bank during this period.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all eligible accounts, where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms). The Bank has created additional provisions amounting to ₹ 225 crores during Q4 FY2020 against the potential impact of COVID-19 on standard assets based on all the available information at this point in time. This includes ₹ 25 crores as the minimum amount required at March 31, 2020 (In respect of borrowers to whom the benefit of asset classification was extended) as prescribed by Reserve Bank of India in terms of circular dated April 17, 2020; while the RBI has permitted this amount to be spread over two quarters, the Bank has decided to provide for the entire amount in the current quarter.
- 9 During the Q2 FY2020 the Bank elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Bank had recognised Provision for Income Tax for Q2 FY2020 and re-measured its Deferred tax assets/ liability basis the revised rate of 25.17% which resulted in one time tax impact of ₹ 750.50 crore.
- 10 Analytical ratios are part of standalone financial results available on the Bank's website (www.idfcfirstbank.com) and on the Stock Exchange websites (www.nseindia.com and www.bseindia.com).
- 11 In view of accounting for IDFC - CFL merger from appointed date of October 1, 2018, the figures of the year ended March 31, 2020 are not comparable to the corresponding figures of the previous year. The figures for the previous quarter/year have been regrouped wherever necessary in order to make them comparable.
- 12 The financial results for the quarter ended March 31, 2019 are not reviewed / audited by the statutory auditors.
- 13 The above consolidated financial results have been reviewed/audited by the statutory auditors, B S R & Co. LLP, Chartered Accountants.
- 14 The figures for the year ended March 31, 2019 provided in the statement of financial results were audited by another firm of chartered accountants.
- 15 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year which was subject to limited review.
- 16 The Group has followed the same significant accounting policies in the preparation of these financial results as those followed in the annual financial statements for the year ended March 31, 2020 and March 31, 2019
- 17 The Board, at its meeting held on May 01, 2020 had, subject to the approval of the Shareholders and such other requisite approvals, approved the preferential issue, involving the issue and allotment of up to 86,24,40,704 equity shares, fully paid-up, at the price of ₹ 23.19/- per equity share (including premium), aggregating up to ₹ 2,000 crore (rounded off) on a preferential basis in accordance with the applicable provisions of law.

18 Cash Flow Statement of the Group for the year ended March 31, 2020 is given below:

		(₹ in lakhs)	
	Particulars	As at 31.03.2020 (refer note 11)	As at 31.03.2019
		(Audited)	(Audited)
A	<u>Cash flow from operating activities</u>		
	Profit before taxes	(234589.49)	(323743.36)
	Adjustments for :		
	Depreciation on fixed assets	32000.69	282031.69
	Amortisation of premium on held to maturity investments	12869.52	13354.69
	Provision for depreciation in value of investments	105149.04	34624.40
	Provision/(Write back) on advances	44158.07	(10591.77)
	Provision / (write back) for restructured assets	2059.15	(2020.65)
	Provision / (Write back) on identified standard assets	(4106.18)	5519.54
	Provision for standard assets	33094.72	372.15
	Loss on sale of fixed assets (net)	(1.61)	119.29
	Loss on sale of loans to Asset Reconsurction Companies	-	81368.30
	Bad debts including technical / prudential write off	138643.56	28661.87
	Other provisions and contingencies	112557.35	5253.80
	Share in loss of associates	-	2786.25
	Adjustments for working capital changes:		
	Decrease in investments (excluding held to maturity investment and investment in subsidiary)	1526162.83	351449.87
	Increase in advances	(110061.96)	(751287.77)
	Increase/(decrease) in deposits	(527464.94)	2231414.92
	Increase in other assets	(257517.83)	(245522.59)
	Increase in other liabilities and provisions	238536.57	27233.42
	Direct taxes paid (net of refunds)	(14935.93)	5353.54
	Net cash flow generated from / (used in) operating activities (A)	1096553.56	1736377.60
B	<u>Cash flow from investing activities</u>		
	Purchase of fixed assets	(42759.61)	(27634.45)
	Proceeds from sale of fixed assets	841.44	437.55
	Increase in held to maturity investments	(337100.82)	(109277.32)
	Net cash flow generated used in investing activities (B)	(379018.99)	(136474.22)
C	<u>Cash flow from financing activities</u>		
	Decrease in borrowings	(1258620.47)	(1190994.15)
	Proceeds from issue of share capital (other than shares issued on amalgamation)	4754.96	215.41
	Payment of securities issue expenses	-	(473.88)
	Payment of dividend (including dividend distribution tax)	-	(30778.78)
	Net cash flow generated used in financing activities (C)	(1253865.51)	(1222031.40)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(536330.94)	377871.98
	Cash and cash equivalents at the beginning of the year	952615.34	487681.62
	Cash and cash equivalents acquired on amalgamation	-	87061.74
	Cash and cash equivalents at the end of the year	416284.40	952615.34

For and behalf of the Board of Directors
of IDFC FIRST Bank Limited

Date: May 22, 2020
Place: Mumbai

V. Vaidyanathan
Managing Director & Chief Executive Officer