

IDFC First Bank Limited

March 04, 2026

Credit Update

IDFC First Bank Limited (IFBL, rated CARE AA+; Stable), vide its stock exchange disclosure dated February 21, 2026, reported a fraud of ~₹590 crore at its Chandigarh branch, involving certain accounts linked to departments of the Government of Haryana.

The bank initiated an internal review into the matter. It has appointed KPMG to conduct an independent forensic audit. Concerned officials have been suspended pending investigation. Regulators and statutory auditors have been informed, and police complaints have been filed.

Recovery efforts are underway, including lien marking on beneficiary accounts with other banks. The bank has already repaid ₹583 crore (principal and interest) to the affected Government departments. The bank is also undertaking steps to strengthen its internal control framework.

The final financial impact will be contingent on recoveries, outcome of legal proceedings and forensic audit, with residual loss to be absorbed through the profit and loss account. Although the quantum is not material relative to the bank's net worth (1.3%) or overall deposit base (0.20%), the incident warrants a review and revision of internal controls and processes. Following de-empowerment by the Haryana Government, movement in government deposits (which constitute ~8–9% of total deposits) and the bank's ability to manage potential run-offs remain key monitorable. CareEdge Ratings will continue to monitor the bank's operational performance, liquidity profile, and further developments relating to this matter.

For the detailed press release of IFBL, please [click here](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Financial services	Financial services	Banks	Private sector bank

IFBL was incorporated in October 2015 and the bank's name underwent a change from 'IDFC Bank Limited' (IBL) to 'IDFC First Bank Limited' on January 12, 2019, following the merger of Capital First Limited with the bank. Merger of Capital First Limited and its two subsidiaries with IDFC Bank Limited became effective December 18, 2018. IDFC Financial Holding Company Limited and IDFC Limited were merged into IFBL effective October 01, 2024. IFBL's operations are across its three business verticals: corporate banking, consumer banking and rural banking. As on June 30, 2025, it has a network of 1,016 branches across the country. IFBL is led by MD-CEO, V Vaidyanathan, who has over 25 years of banking experience. RBI has granted its approval for re-appointment of V Vaidyanathan as the bank's MD and CEO for three years effective December 19, 2024, to December 18, 2027.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total income	36,324	43,523	36,239
Profit after tax (PAT)	2,957	1,525	1,317
Total assets	2,95,022	3,42,941	3,92,480
Net interest margin (NIM) (%)	6.17	6.05	5.63
ROTA (%)	1.11	0.48	0.48
Gross non-performing assets (NPA) (%)	1.88	1.87	1.69
Net non-performing assets (NPA) (%)	0.60	0.53	0.53
Capital adequacy ratio (CAR) (%)	16.11	15.48	15.84

A: Audited UA: Unaudited; Note: these are latest available financial results

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Pradeep Kumar V Senior Director CARE Ratings Limited Phone: 044-28501001 E-mail: pradeep.kumar@careedge.in</p>	<p>Analytical Contacts</p> <p>Sanjay Agarwal Senior Director CARE Ratings Limited Phone: +91-22-6754 3500 E-mail: Sanjay.agarwal@careedge.in</p> <p>Priyesh Ruparelia Director CARE Ratings Limited Phone: 022-67543593 E-mail: Priyesh.ruparelia@careedge.in</p> <p>Sudam Shrikrushna Shingade Associate Director CARE Ratings Limited Phone: 912267543453 E-mail: sudam.shingade@careedge.in</p>
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