

Notice



IDFC FIRST Bank Limited

CIN: L65110TN2014PLC097792

Registered Office: KRM Tower, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031, Tamil Nadu, India

Tel: + 91 44 4564 4000

Corporate Office: IDFC FIRST Bank Tower, (The Square), C-61, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai, 400 051

Tel: + 91 22 7132 5500

Website: www.idfcfirstbank.com **E-mail:** bank.info@idfcfirstbank.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended]

Dear Shareholders,

NOTICE is hereby given to the shareholders ('Members') of IDFC FIRST Bank Limited (the '**Bank**' or '**IDFC FIRST Bank**'), pursuant to the provisions of Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the '**Companies Act**'), read with rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, and relevant circulars including General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as the '**MCA Circulars**'), Regulation 44 and other applicable provisions of the Securities and Exchange Board of India ('**SEBI**') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), read with relevant SEBI circulars thereof, Secretarial Standard on General Meetings ('**SS-2**') issued by the Institute of Company Secretaries of India, including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force, and any other applicable laws, rules, guidelines, notifications, circulars and regulations, if any, the following special business is proposed to be passed by the Members of the Bank through Postal Ballot via remote Electronic Voting ('**e-Voting**') only.

The proposed Resolution and Explanatory Statement setting out material facts as required in terms of Section 102 of the Companies Act read with the rules and the MCA Circulars are appended below for seeking consent of the Members of the Bank through e-Voting.

In compliance with Regulation 44 of the SEBI Listing Regulations, and pursuant to the provisions of Sections 108 and 110 of the Companies Act read with the rules and the MCA Circulars, the Bank is sending this Postal Ballot Notice in electronic form only and has extended only the e-Voting facility for its Members, to enable them to cast their votes electronically instead of submitting the Postal Ballot form. The Bank has appointed National Securities

Depository Limited ("**NSDL**") for facilitating e-Voting system to enable the Members to cast their votes electronically. The hard copy of this Postal Ballot Notice along with Postal Ballot forms and pre-paid business envelope will not be sent to the Members in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the Members would take place through the e-Voting system only. The instructions for e-Voting are appended to this Postal Ballot Notice.

The Board of Directors of the Bank has appointed Ms. Manisha Maheshwari, Practicing Company Secretary [Membership No. ACS: 30224 and CP: 11031], Partner of M/s. Bhandari & Associates, Company Secretaries or failing her Mr. S. N. Bhandari, Practicing Company Secretary [Membership No. FCS: 761 and CP: 366], Partner of M/s. Bhandari & Associates, Company Secretaries, as the Scrutinizer for conducting the Postal Ballot e-Voting process in a fair and transparent manner and in accordance with the provisions of the Companies Act and the rules made thereunder. You are requested to carefully read the instructions in this Postal Ballot Notice and record your vote through the e-Voting process not later than 5:00 p.m. Indian Standard Time ('**IST**') of **Saturday, June 29, 2024**.

After completion of scrutiny of the votes, the Scrutinizer will submit its report to the Chairperson of the Bank, or a person authorized by the Chairperson. The results of Postal Ballot shall be declared on or before **Tuesday, July 02, 2024**, along with the Scrutinizer's report, be displayed at the Corporate Office and the Registered Office of the Bank, communicated to the Stock Exchanges and will also be uploaded on the Bank's website at www.idfcfirstbank.com and on the website of NSDL at www.evoting.nsdl.com.

The proposed Resolution, if approved, shall be deemed to have been passed on the last date of e-Voting, i.e., **Saturday, June 29, 2024**.

Special Business

Item No. 1:

To Issue, Offer and Allot Equity shares on Preferential basis

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (**‘Companies Act’**), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other relevant rules made thereunder, in accordance with applicable rules, regulations, etc., issued by Securities and Exchange Board of India (**‘SEBI’**) including Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**‘SEBI ICDR Regulations’**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘SEBI Listing Regulations’**), SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the relevant provisions of the Banking Regulation Act, 1949, the rules, circulars, directions and guidelines issued by the Reserve Bank of India (**‘RBI’**), the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder as amended, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), the provisions

of Memorandum of Association and Articles of Association of the Bank, and subject to other applicable rules and regulations and the approvals, consents, permissions and/ or sanctions, as may be required from the Ministry of Corporate Affairs (**‘MCA’**), Government of India, RBI, SEBI, Stock Exchange(s) and any other relevant statutory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/ or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/ or sanctions and which may be agreed by the Board of Directors of the Bank (**‘Board’**), the consent of the Members of the Bank be and is hereby accorded to create, offer, issue and allot 39,68,74,600 (Thirty nine crore sixty eight lakh seventy four thousand and six hundred) equity shares of face value of ₹ 10 (Rupees Ten only) each fully paid up, on a preferential basis, at a price of ₹ 80.63 (Rupees Eighty and sixty three paise only) per equity share [including premium of ₹ 70.63 (Rupees seventy and sixty three paise only) per equity share], determined in accordance with the relevant regulations under Chapter V of SEBI ICDR Regulations, to the following **‘Proposed Allottees’**, for cash consideration on a preferential basis (**‘Preferential Issue’**) as per the particulars set out below and on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws, rules and regulations:

Name of the Proposed Allottee	Details of the Proposed Allottee	No. of Equity Shares to be allotted
Life Insurance Corporation of India	Country of Incorporation: India Registered Office: Yogakshema, Jeevan Bima Marg, Nariman Point, Mumbai, Maharashtra, 400021	18,60,34,900
HDFC Life Insurance Company Limited	Country of Incorporation: India Registered Office: Lodha Excelus, 13th Floor, N.M. Joshi Marg, Apollo Mills Compound, Mahalaxmi, Mumbai, Maharashtra, 400011	8,06,15,200
Aditya Birla Sun Life Insurance Company Limited	Country of Incorporation: India Registered Office: One Indiabulls Centre, Tower 1, 15 th & 16 th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400013	6,20,11,600
Bajaj Allianz Life Insurance Company Limited	Country of Incorporation: India Registered Office: Bajaj Allianz House, Airport Road, Yerawada, Pune-411006.	3,10,05,900
ICICI Lombard General Insurance Company Limited	Country of Incorporation: India Registered Office: ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhivinayak Temple, Prabhadevi, Mumbai-400 025	3,10,05,800
SBI General Insurance Company Limited	Country of Incorporation: India Registered Office: 9th Floor, A & B Wing, Fulcrum Building, Sahar Road, Andheri(East), Mumbai 400099	62,01,200

RESOLVED FURTHER THAT the **‘Relevant Date’** for determining the price of the equity shares in accordance with the SEBI ICDR Regulations, is **Thursday, May 30, 2024**, being the date, which is 30 days prior to the last date for remote electronic voting for Postal Ballot i.e., **Saturday, June 29, 2024**.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid equity shares shall subject to applicable laws as well as the Memorandum and Articles of Association of the Bank, be made fully paid up at the time of allotment and shall rank *pari-passu* with the existing equity shares of the Bank

in all respects and the same shall be subject to lock-in for such period as may be prescribed under Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

RESOLVED FURTHER THAT the price determined shall be subject to appropriate adjustments, if required, as permitted under the rules, regulations, and laws, as applicable from time to time.

RESOLVED FURTHER THAT the equity shares be issued and allotted by the Bank to the Proposed Allottees in dematerialized

form within a period of 15 (Fifteen) days from the date of receipt of Members' approval, provided that, where the issue and allotment of the said equity shares is pending on account of pendency of any approval by any Regulatory Authority (including, but not limited to the RBI, National Stock Exchange of India Limited, BSE Limited and/or SEBI) or the Government of India, the issue and allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals or such other extended period as may be permitted in accordance with SEBI ICDR Regulations, as amended from time to time.

RESOLVED FURTHER THAT the equity shares issued to the Proposed Allottees shall be listed on the Stock Exchanges where the existing equity shares of the Bank are listed.

RESOLVED FURTHER THAT the monies received by the Bank from the Proposed Allottees for application of the equity shares pursuant to this Preferential Issue shall be kept by the Bank in a separate account opened by the Bank for this purpose and shall be utilized by the Bank for the purpose for which the amount is raised in accordance with the provisions of applicable law.

RESOLVED FURTHER THAT subject to the receipt of such approvals as may be required under applicable law, consent of the Members of the Bank be and is hereby accorded to record the name and details of the Proposed Allottees in Form PAS-5 and the Board be and is hereby authorized to make an offer to the Proposed Allottees through Private Placement Offer Letter cum application letter in Form PAS 4 or such other form as prescribed under the Act and SEBI ICDR Regulations containing the terms and conditions.

RESOLVED FURTHER THAT without prejudice to the generality of the above resolution, the issue of the equity shares shall be subject to the following terms and conditions in addition to the terms and conditions as contained in the Statement under Section 102 of the Companies Act annexed hereto, which shall be deemed to form part hereof:

- [a] The Proposed Allottees of equity shares shall be required to bring in 100% of the consideration, on or before the date of allotment thereof;
- [b] The consideration for allotment of equity shares shall be paid to the Bank by the Proposed Allottees from their respective bank accounts; and
- [c] Allotment of equity shares shall only be made in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board (which term shall deem to include any committee which the Board has constituted or may constitute to exercise one or more of its powers, including the powers conferred by this resolution) be and is hereby authorized to take all such actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid equity shares and listing thereof with the Stock Exchanges as appropriate including but not limited to filing of requisite documents with the Registrar of Companies, Depositories and/ or such other authorities as may be necessary for the purpose, to decide and approve the other terms and conditions of the Preferential Issue of the aforesaid equity shares, to vary, modify or alter any of the terms and conditions, subject to the provisions of the Companies Act, the SEBI ICDR Regulations and/ or any other laws and regulations, and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment, utilization of issue proceeds, and to take all other steps which may be incidental, consequential, relevant or ancillary in relation to the foregoing without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By order of the Board of Directors of

IDFC FIRST Bank Limited

Satish Gaikwad

Head - Legal & Company Secretary
Membership No. F6494

Date: May 30, 2024

Place: Mumbai

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('**Companies Act**') read with the Companies (Management and Administration) Rules, 2014, and other applicable provisions, if any, setting out the material facts and reasons for the resolution in respect of the business set out in this Notice is annexed hereto.
2. The Postal Ballot Notice along with the instructions regarding remote e-Voting has been dispatched to all the Members by e-mail, whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e., National Securities Depository Limited ('**NSDL**')/ Central Depository Services (India) Limited ('**CDSL**') and who already have their e-mail address registered with the Registrar and Share Transfer Agent/ Depositories as on **Friday, May 24, 2024 ('cut-off date')**. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
3. A copy of the Postal Ballot Notice is also available on the Bank's website www.idfcfirstbank.com and also on the website of NSDL www.evoting.nsdl.com and at the relevant sections of the websites of the Stock Exchanges on which the shares of the Bank are listed i.e. at www.bseindia.com and www.nseindia.com.
4. Dispatch of the Notice shall be deemed to be completed on the day on which NSDL or Bank sends out the communication for the Postal Ballot process by e-mail to the Members of the Bank.
5. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the SEBI Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one Tamil daily newspaper circulating in Chennai, being place where the Registered Office of the Bank is situated (in vernacular language, i.e., Tamil) and also on the Bank's website: www.idfcfirstbank.com.
6. The Members of the Bank whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e., NSDL/ CDSL as on the cut-off date (including those Members who may not have received this Postal Ballot Notice due to non-registration of the e-mail address with the RTA/ Depositories), shall be entitled to vote in relation to the resolution specified in this Postal Ballot Notice.
7. In compliance with the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act read with rules made thereunder, Regulation 44 of the SEBI Listing Regulations, SS-2 and relevant Circulars issued by Ministry of Corporate Affairs, and any amendments thereto, the Bank is providing facility for voting by e-Voting to all the Members of the Bank as on the cut-off date to enable them to cast their votes electronically on the item mentioned in the Notice. For this purpose, the Bank has engaged the services of NSDL and have made necessary arrangements to facilitate e-Voting. In terms of the MCA Circulars, voting can be done only by e-Voting. The Members are strongly advised to use the e-Voting procedure by themselves and not through any other person/ proxies.
8. The portal for e-Voting will remain open for the Members for exercising their voting from **Friday, May 31, 2024, at 09:00 a.m.** India Standard Time ('**IST**') till **Saturday, June 29, 2024, at 05:00 p.m.** IST. Please note that e-Voting module will be disabled for voting by NSDL after the said date and time. During this period, the Members of the Bank holding shares either in physical form or dematerialized form, as on the cut-off date, may cast their vote electronically. Once vote on the resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.
9. The voting rights of the Members shall be in proportion to his/ her share in the total paid-up equity share capital of the Bank as on cut-off date, subject to the provisions of the Banking Regulation Act, 1949, as amended, which will only be considered for voting. In case of joint holders, only such joint holder who is higher in the order of names as per the Register of Members of the Bank will be entitled to vote.
10. All the material documents referred in the Explanatory Statement, shall be available for inspection through electronic mode, during business hours except Saturday, Sunday and National Holidays from the date hereof up to the date of announcement of results of Postal Ballot. Members seeking to inspect such documents can send an email to secretarial@idfcfirstbank.com, mentioning their name, Folio No. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the e-mail.
11. The Scrutinizer shall prepare Scrutinizer's Report on the total votes cast in favour or against or abstained, if any. The Scrutinizer shall immediately, after the conclusion of voting, unblock the votes cast through e-Voting and make, not later than two working days of conclusion of the e-Voting, a Scrutinizer's Report of the total votes cast in favour or against, if any and submit to the Chairperson or a person authorised by him, who shall countersign the same. The Scrutinizer's decision on the validity of e-Voting will be final. The results of the Postal Ballot will be announced on or before **Tuesday, July 02, 2024**. The results of the Postal Ballot will be posted on the Bank's website www.idfcfirstbank.com and on NSDL's website www.evoting.nsdl.com and will also be communicated to the Stock Exchanges where the Bank's shares are listed. The Bank will also display the results of the Postal Ballot along with Scrutinizer's Report at its Corporate Office and Registered Office.

12. The resolution, if passed, by the requisite majority, shall be deemed to have been passed on the last date specified by the Bank for e-Voting i.e., **Saturday, June 29, 2024**. Further, resolution passed by the Members through Postal Ballot is deemed to have been passed effectively at a general meeting.
13. Members holding shares in dematerialized mode are requested to register/ update their KYC details including e-mail address with the relevant Depository Participants. Members holding shares in physical form are requested to register/ update their KYC details including e-mail address by submitting duly filled and signed Form ISR-1 at einward.ris@kfintech.com along with the copy of the share certificate (front and back), self-attested copy of the PAN card and such other documents as prescribed in the Form. Form ISR-1 is available on the website of the Bank at <https://www.idfcfirstbank.com/investors>.
14. The shareholder holding shares in electronic mode has to get his e-mail ID and mobile number updated in the demat account or folio and User ID and password generation will be done on the respective depository.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form. Further, as per the SEBI circular dated January 25, 2022, the request of transmission and transposition shall only be processed in dematerialized form by following the steps mentioned in the said circular. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, the Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. The Members can contact the Bank's RTA for assistance in this regard.
16. The Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. The Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled, to the RTA of the Bank i.e., KFin Technologies Ltd ('**KFintech**'). The prescribed forms, in this regard, are available on the website of the Bank at <https://www.idfcfirstbank.com/investors>. The Members holding shares in dematerialized form may contact their respective DP for availing this facility.
17. To support 'Green Initiative', the shareholders who have not registered their email-id are requested to register the same with their Depository Participants in case shares are held in dematerialised form and with KFintech in case shares are held in physical form, which could help the Bank for sending paperless communication in future.
18. The detailed procedure with respect to e-Voting are as under: In order to increase the efficiency of the e-Voting process, SEBI vide its circular SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020, had decided to enable e-Voting to all the demat account holders by way of a single login credential through their demat accounts/ websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-Voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process. Therefore, to support the above initiative undertaken by SEBI, Members are requested to intimate/ update changes, if any, pertaining to their e-mail address and mobile numbers with the respective Depositories/ Depository Participants. Members holding shares in physical form and who want to avail the above initiatives of SEBI are requested to convert their physical holdings into Demat form. Members can contact KFintech for any assistance in this regard.

THE PROCEDURE AND INSTRUCTIONS FOR VOTING ELECTRONICALLY ARE AS FOLLOWS:

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of the Bank '128700' to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhandariandassociates@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the

correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@idfcfirstbank.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@idfcfirstbank.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013 and other applicable laws, setting out all material facts and reasons)

Item No. 1:

To Issue, Offer and Allot Equity shares on Preferential basis

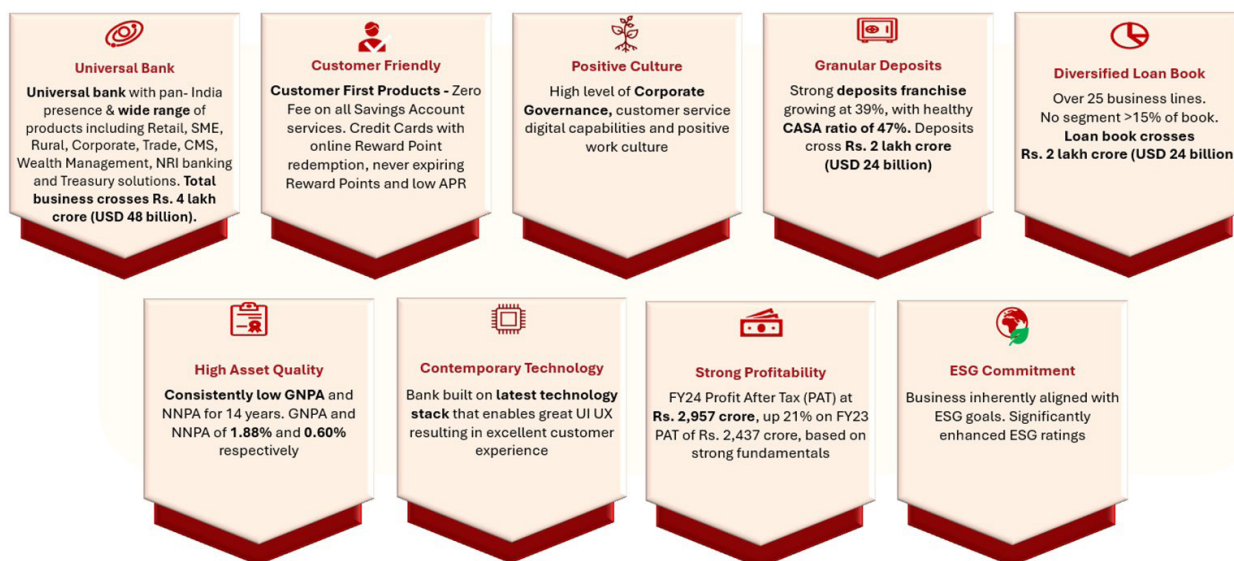
The vision of IDFC FIRST Bank is “to build a world class bank in India, guided by ethics, powered by technology, and to be a force for social good”.

IDFC FIRST Bank has laid strong foundation over the last 5 years for a strong future ready institution. This foundation includes a robust deposit franchise, effective risk management practices, strong asset quality, a profitable business model, highest levels of corporate governance, a positive culture, contemporary technology, and commitment to ESG.

Despite facing unexpected challenges after the merger, such as legacy infrastructure and corporate loan-related charge-offs, low profitability because of the DFI background, the impact of two waves of COVID-19 and associated lockdowns, the Bank has handled these risks proactively and has emerged even stronger from these stress tests.

I. Strengths of the Bank

The following are the key strengths of the Bank.



- 1. Universal Bank:** We are a universal bank. You may have heard about our several innovative products for retail deposits, retail loans and credit cards. But what is less known is that we have also built many new capabilities for SME solutions, Wealth Management, NRI banking, Transaction Banking Services encompassing Receivables & Payables solutions, Nostro & Vostro accounts operations, Escrow facilities, Correspondent Banking, Fastag, and Toll-acquiring. We built out Trade Finance capabilities such as issuance of LCs & BGs, providing SBLC, Packing Credit, Pre-shipment and Post-shipment Finance, Dealer Finance and Purchase/Sales Invoice discounting. We also built out Treasury products including risk hedging solutions like Forwards, Swaps, Options, and other Forex Solutions to give complete end to end solutions to corporates. These are all essential builds for the long term for our Bank. As our Bank gradually scales up, we expect these to aid profitability.
- 2. Customer friendly Products that are very well accepted in the market:** The Bank puts out highly customer friendly products and high level of digitization. It designs all products with a “Near and Dear” Test, so that the employees of the Bank serve only such products they’d want to serve to their own loved ones.
- 3. Positive Culture:** We have built a culture that places ethics and customer’s interest at the centre of everything we do. This culture reflects in the way we are designing our products and services.
- 4. Robust Control Functions:** We respect our control functions like Credit Risk, Fraud Risk, Operational Risk, Market Risk, Compliance, Internal Audit, and they have independence in their work. They flag the gaps in the systems and processes time to time which help us to improve continuously. Our focus on risk, culture, ethics, quality, compliance, and controls continue to make our performance more stable.

5. **Brand:** We believe the power of a good brand cannot be underestimated. Brand awareness is about how many people “know” about our brand. The Top-of-Mind Awareness of IDFC FIRST Bank has increased from 2 in December 2021 to 26 in December 2023, which is a multi-fold improvement in just 3 years. This represents an overall awareness about the brand.

But “Brand awareness” is not the same thing as “Brand character”. Brand character refers to the humanlike attributes including traits, emotions, and values that consumers can relate to at a personal level. No amount of advertising can buy that. It is being built brick by brick in the way we design products, the way we think for our customers, the way customers experience us, the way we conduct ourselves in society. On brand character, we have a defined character of our Brand, by the high levels of service we provide to our customers and the high corporate governance standards we stand for.

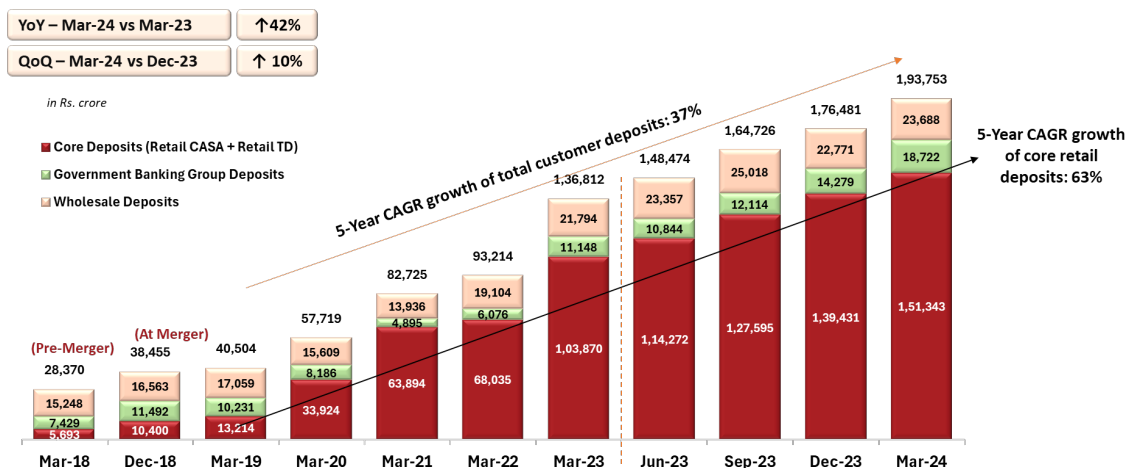
6. **Robust and latest Technology Architecture:** The Bank is investing in a modern and adaptable technology architecture that will support its future growth. The Bank is one of the leading players in digitisation in India: The Bank has developed contemporary digital capabilities with robust analytics framework to be a future-ready bank. IDFCFB app has a high Google Play rating of 4.9, with over 1 crore downloads and with over 5 lac reviews. It is the #1 Bank app in India as per FORRESTER, and the only Indian Banking app to feature in the Global Top 15 Banking Apps, according to the *FORRESTER Digital Functionality Review: Indian Mobile Banking applications, Q3 2023*. It has over 250 latest cutting-edge features including Google like search, Account Aggregator, Financial Planning, Mutual Fund investing, instant loans, card controls, customer service and so on.

Bank has built a unique best-in-class Mobile Banking App with latest design and embedded solutions

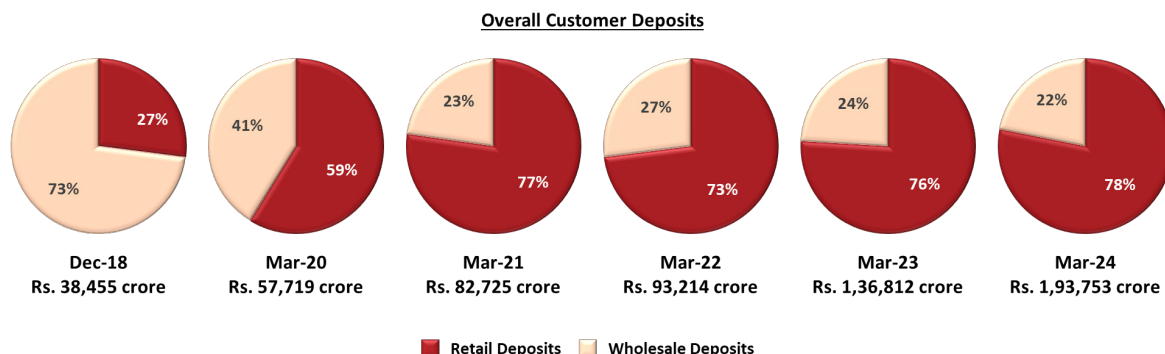


7. **Strong capability to grow Customer Deposits:** The biggest success at the Bank has been to raise retail deposits in a steady, consistent, and sustainable way. The Bank is built and seen as a professional institution and has built an excellent brand known for customer friendly attractive product propositions and services, high levels of corporate governance, strong digital capabilities and ethical banking practices across the organization.

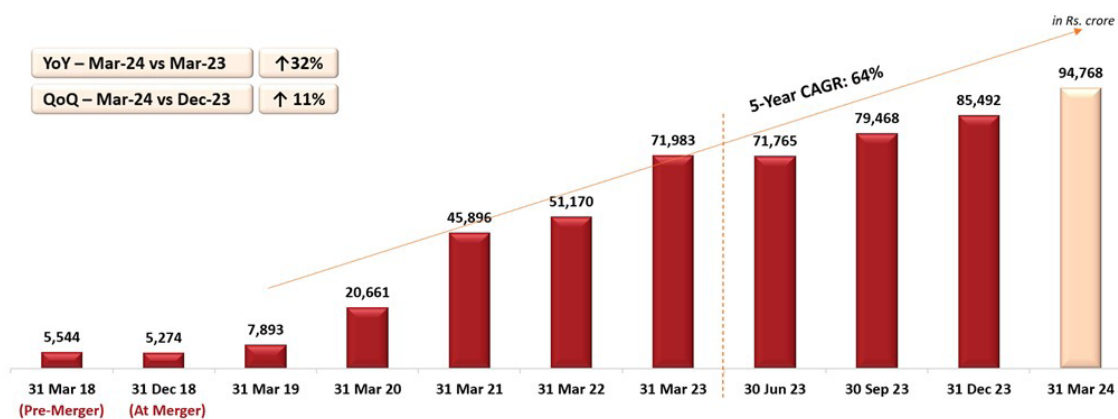
The consistent growth of the customer deposits since merger is depicted below



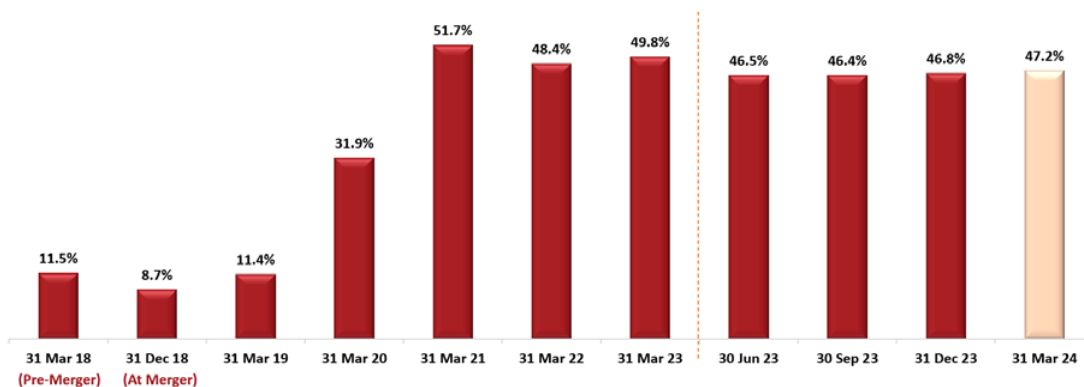
8. **Diversified Retail Deposits:** As a result of strong growth in deposits, 78% of the total deposits at the Bank are now retail, up from only 27% five years ago. This has tremendously strengthened the deposit profile and improve the stability of the Bank. This diversification is among the highest in the Indian banking system.



9. **Strong growth in CASA Deposits:** Raising CASA Deposits is one of the most difficult challenges in the Indian Banking system. However, IDFC FIRST Bank has demonstrated capability to grow CASA deposits which is a key capability in Indian Banking, as deposits is the raw material for lending.



10. **Healthy CASA Ratio:** Another key metric that is tracked widely is CASA ratio. The Bank has increased its CASA ratio from lowest in Industry in 2019 to among the highest in the industry within 5 years of merger. Our CASA ratio has been stable at around 47%.

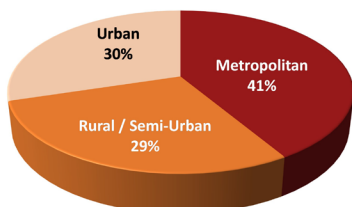


11. **Infrastructure Built by the Bank:** Over the past few years, the Bank has built the necessary infrastructure including branch and ATMs to support the sustainable growth of deposits.

Network & Geographical Reach: The Branch Count increased to 944 branches

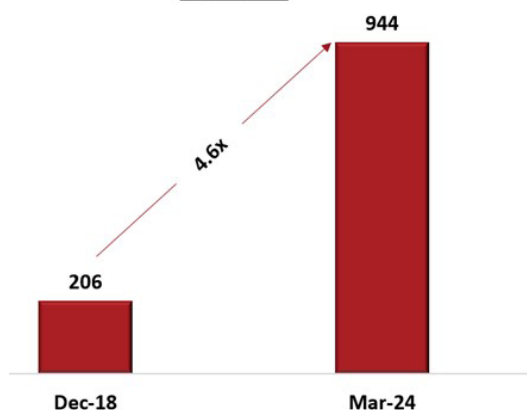
During the year 135 branches were opened, of which 47 are added in Q4FY24.

Bank Branches (March - 24)

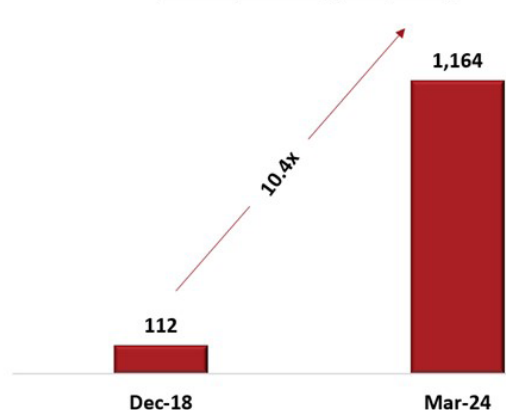


Overall Customer Touch Points	Mar-23	Dec-23	Mar-24	YoY Change	QoQ Change
Bank Branches	809	897	944	135	47
ATMs & Recyclers	925	1,136	1,164	239	28
Asset Outlets	260	258	263	3	5
Rural BC Branches (IFBL)	614	638	638	24	-
Other BC Branches	189	124	116	(73)	(8)

Branches

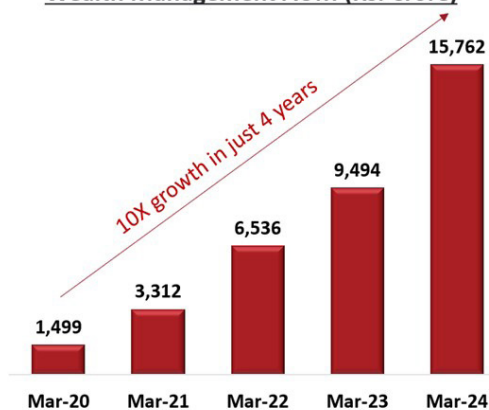


ATMs (Including Recyclers)

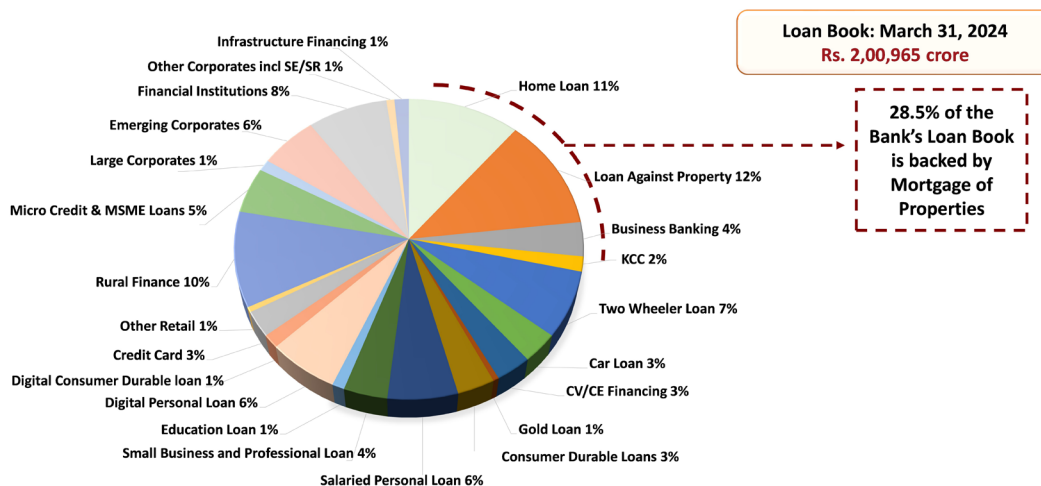


12. **Successful launch of wealth management Business:** The Bank has a highly successful wealth management business launch, which grew at 66% during the last financial year.

Wealth Management AUM (Rs. Crore)



13. **Diversified loan portfolio:** The Bank has diversified the loan portfolio through retail, rural and MSME segments. No business constitutes more than 12% of the loan book.

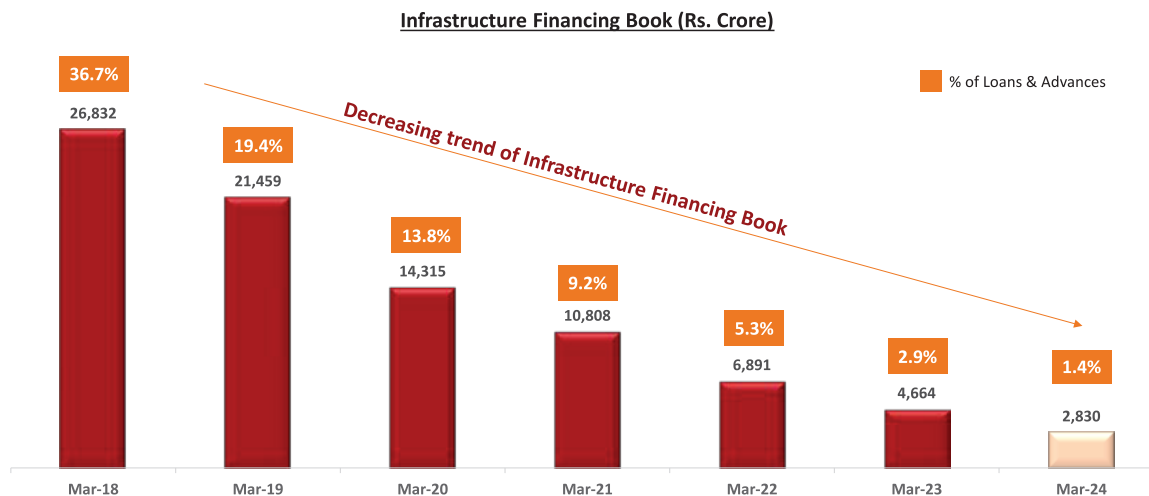


14. **Many New products launched:** The Bank has recently launched many new products and services for retail, rural, MSME and corporate customers in the last 2 years, which will continue to provide growth for the Bank in the future.

Retail Assets	Commercial Credit & Wholesale Banking	Rural Products	Retail Fee Businesses
Prime Home Loans	Commercial Vehicle Loans	Gold Loans	Wealth Management
New Car Loans	Construction Equipment Loans	KCC	FASTag
Credit Card	Cash Management	Agri / Farmer Loans	Forex Card
Digital Loans	Trade Finance	Tractor Loans	
Education Loans	Forex Solutions		
	Transaction Banking		

15. **Resolved all legacy non-performing corporate and infrastructure loans** and brought down the legacy infrastructure portfolio:

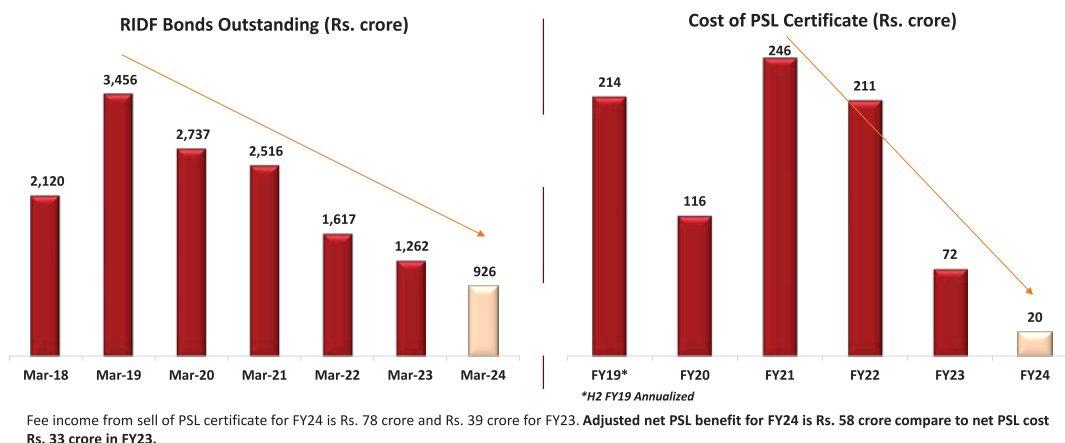
Infrastructure Project financing Book de-grew by 39% and is now below 1.5% of loans & advances



16. **Strong ability to generate PSL:** The Bank has developed key PSL origination capabilities to be self-sufficient to address PSL requirements. This is a major achievement of the bank in the last five years. In 2019, the Bank was earlier deficient in meeting PSL targets and had to invest ₹ 3,456 crores in RIDF Bonds consequently. We are now PSL surplus, and we sell PSL loans through PSLC which generates fee income for the bank.

The Bank has substantially improved on complying with PSL requirements through organic origination..

.. And hence reduced the RIDF subscriptions as well as PSL certificate cost over the years

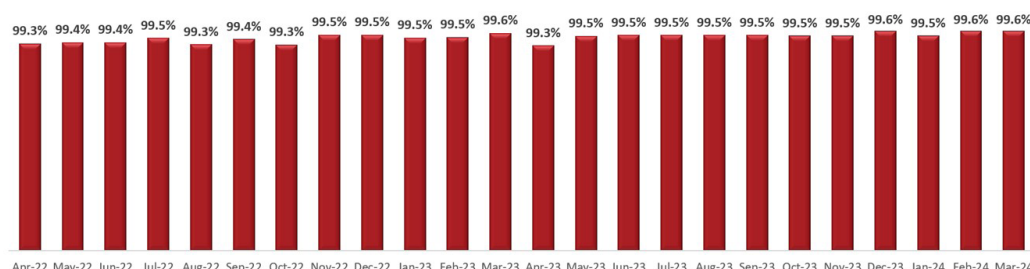


17. **High Collection Efficiency:** The collection efficiency in the bank is among the highest in the industry at 99.6%.

Definition:

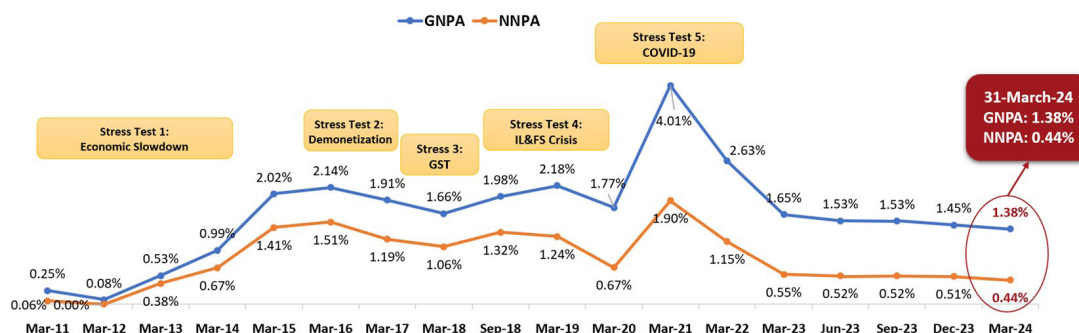
$$\text{Collection Efficiency \%} = (\text{Pos of EMI Collected for the Month}) / (\text{Pos of EMI Due for the month}) * 100$$

Note: Collections does not include any arrear collections, or prepayment collections in these calculations, and hence represents the true picture of collections efficiency.



Note: Above numbers pertain to collection efficiency (early-bucket) in Retail portfolio (excluding rural financing) which is the majority of the Book. Similar experience is observed in the Rural financing also.

18. **High Asset quality and low NPA Levels:** Consequently, the Bank has in retail high retail asset quality of GNPA and NNPA of 2% and 1% for over 14 years. Currently, the Gross and Net NPA is only 1.38% and 0.44% as of March 31, 2024.



Note: "Bank" and "Decade" here pertains to combined history of both Capital First and IDFC Bank. The figures till Sep-18 pertains to the portfolio at Capital First Limited.

19. **High levels of Disclosure on NPA:** The Bank not only discloses product wise NPA, but also discloses the entire funnel, including underwriting norms followed by Cheque/ Auto Debit clearance %, followed by Collection efficiency, followed by SMA % (Pre NPA stage) and overall as well as product wise NPA%.

Each of the individual products have low NPA as shown below.

All retail, rural and SME product segments continue to have low NPA ratios

Segment	Gross Advances Breakup (Rs. Crore)	Gross NPA	Net NPA
Home Loan	22,325	0.75%	0.33%
Loan Against Property	24,247	1.59%	0.67%
Vehicles	20,827	1.52%	0.59%
Consumer Loans	28,659	1.72%	0.52%
Rural Finance	23,882	1.01%	0.20%
Digital, Gold & Others	17,527	1.80%	0.41%
Credit Cards	5,546	1.76%	0.39%
SME Finance	23,591	1.20%	0.38%
Corporate (Non-Infra)	28,213	2.55%	0.26%
Infrastructure Finance	2,643	26.45%	15.55%
Overall Bank	1,97,459	1.88%	0.60%
Bank (Excluding Infra)	1,94,816	1.55%	0.42%

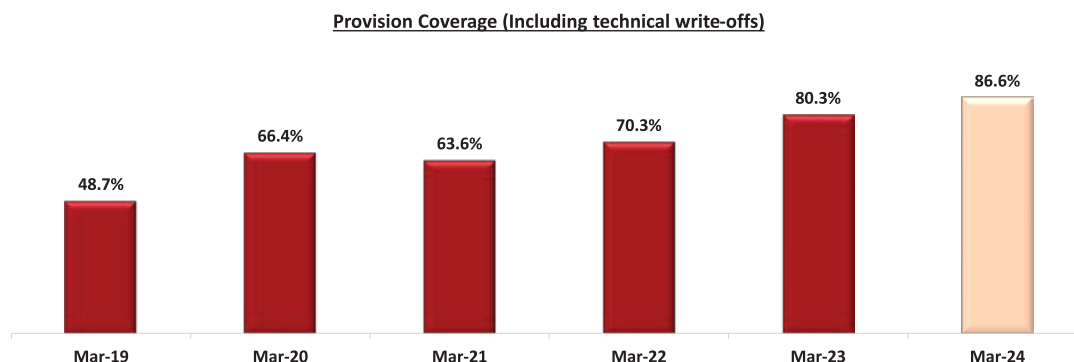
Retail, Rural & SME

Gross NPA	Net NPA
1.38%	0.44%

• The significant and growing part of the book, i.e. the Retail, Rural and SME business financing business has low NPA levels because of high-quality underwriting, credit bureaus, technology, cash-flow based lending capabilities.

20. **High Provision Coverage Ratio:** The Bank has improved the provision coverage ratio over the years.

Provision Coverage Ratio increased to 86.6% for the Bank



- Provision Coverage Ratio (excluding technical write-offs) improved to 68.8% as on March 31, 2024 from 66.9% as on December 31, 2023; and compared to 66.4% as on March 31, 2023.
- Provision Coverage Ratio as mentioned above after excluding infrastructure finance book was at 73.4% as on March 31, 2024

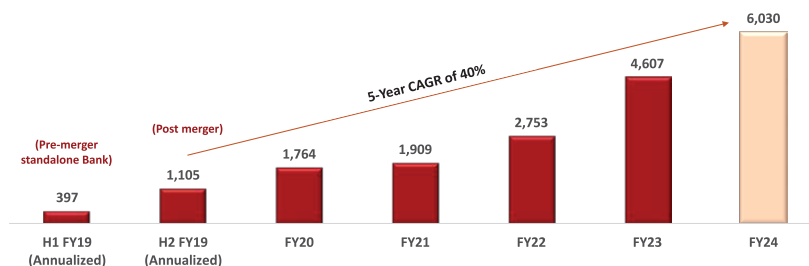
21. **Strong growth in Operating Profit:** The Bank's core Pre-Provisioning Operating Profit (PPOP) has growth at a **5-year CAGR of 40%** to reach ₹ 6,030 crores in FY24 from ₹ 1,105 crores in FY19.

31% YoY growth in Core Operating Profit (excluding trading gains) during FY24

- The core operating profit (excluding trading gains) of the Bank is growing higher than the overall balance sheet growth. This demonstrates the power of incremental profitability of the core business model.

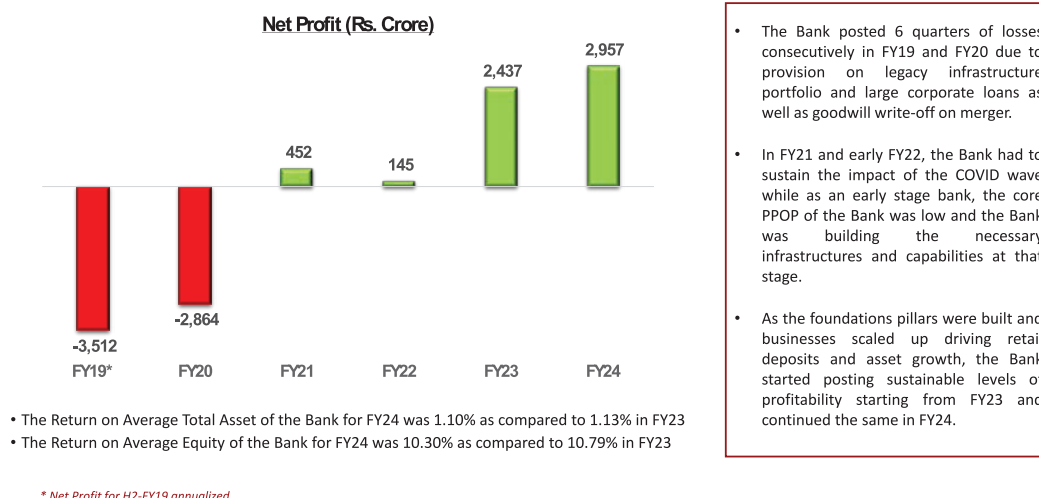
Core Pre-Provisioning Operating Profit (In Rs. Crore)

Loan book has grown at a 5-Year CAGR of 13% while the operating profit has grown at the 5-Year CAGR of 40%, this represents strong incremental unit economics



22. **Strong growth in Net profit, Bank has turned around in profitability:** The Net Profit of the Bank has improved from a loss of ₹ 3,512 crores in FY19 to net profit after tax of ₹ 2,957 crores in FY24. The Bank expects to sustain the growth in Profit After Tax going forward as well.

Bank has turned profitable on sustained basis based on strong Operating Profits and low credit costs



23. **Commitment to ESG:** We are highly committed to the cause of ESG.

Responsible and inclusive lending: We are truly committed to inclusive lending. We serve over 85,000 villages, across 20 Indian states, touching 8 million households across India. From an ESG-oriented lending standpoint, as mentioned earlier in this note,

- We have financed 3,00,000 MSMEs.
- We financed 3 million cattle loans.
- We financed 16 million lifestyle improvement loans for laptops, washing machine, refrigerators etc. While the rich and middle class take these products for granted, the lower middle class and lower income class find it difficult to purchase these essential products that improve the day-to-day productivity and relieves the family of drudgery of say, washing clothes for hours.
- We financed about 3,50,000 sanitation loans (toilets, water fittings), with disbursals of ₹ 12 billion.
- 6.5 million mobility loans 2-wheelers and cars, with a sector-leading portfolio of EV two wheelers.
- We have financed over 100,000 homes. Financed 15 million loans to 5 million women-entrepreneurs.
- We also offer other retail and rural loans such as Kisan Credit Cards, tractor financing, Farmer Producer Organisations (FPOs) financing, harvest financing, gold loans etc.

Besides, 91,000+ households have also been supported under the Shwethdhara Program, focussed on dairy farming. This goes well with our rural lending activities, as under this program we support local farming communities in rural areas. On the Liability side, we are exploring launch of our Green Deposits product in H1 FY 25.

Greener infrastructure: From an operational perspective, we are concentrating on making our infrastructure greener and sustainable. In fact, several of our large offices are LEED and IGBC certified, with our Corporate Head Office in Mumbai rated at IGBC Platinum. To reduce our carbon footprint, we have also adopted green power in our Head Office and are evaluating other locations where the ecosystem has developed to enable green power procurement.

Climate action: We have initiated various actions on the climate action front, which includes baselining of our Scope 1, 2 and 3 emissions, including financed emissions, and conducting a stress test for climate risk on our portfolio. We have also developed our decarbonization roadmap, which, subject to ecosystem development, provides us a glide path to achieving Net Zero carbon emissions in the longer term.

Equal opportunity, diversity, and inclusion: A core tenet of our people policy is the equal treatment of our employees, and zero discrimination based on gender, religion or social background. Over the past two years, we have progressively increased women participation in our workforce, and this metric is stronger for the younger workforce and for new hires.

Corporate Social Responsibility (CSR): We continue to foster a CSR programme that does meaningful work in communities. In FY24 alone, the total direct beneficiaries our CSR programme were over 1,98,000. Some of the thematic areas focused by our CSR programme include – livelihood development (through the flagship Shwethdara programme, which an animal husbandry initiative), education (scholarships for the disadvantaged), entrepreneurship (particularly for women), health and sanitation (such as cleanup programmes), disaster relief etc.

ESG Reporting and Rating: We align to all mandatory ESG disclosure frameworks and further align with globally accepted voluntary reporting standards for enhanced transparency. In FY24, we published our first Integrated Report, and aligned our disclosures with GRI and SASB standards. We also published our maiden Business Responsibility and Sustainability Report (BRSR), which aligns with the regulatory disclosure requirements. Further, we are currently in the process of attaining external assurance on our key ESG performance indicators, which will be published along with the upcoming Integrated Report and BRSR.

Additionally, as part of our governance, our Information Security Management System is certified under ISO 27000 and social parameters aligned to our Code of Conduct are certified under ISO 26000.

Our initiatives, responsible lending practices, and transparent reporting has helped us progressively improve upon our ESG ratings. A summary of our latest ESG ratings is given below.

Rating agency	Score	Remarks
CSA by S&P (DJSI)	48/100	<ul style="list-style-type: none"> Current scores comparable to the leading Banks in India Improved 2x from 2021 levels
Sustainalytics (by Morningstar) ESG Risk Rating	21.2/100 (lower risk rating is deemed to be better)	<ul style="list-style-type: none"> One of the best scores among peers in India Ranked among the top 30% performers among Banks, globally. Improved from 38.8 in 2022.
MSCI ESG Ratings	A	<ul style="list-style-type: none"> Improved from BBB in 2021

With our increased focus on ESG, we will continue to improve on these scores in upcoming years.

24. Highest levels of Corporate Governance: Our Bank has a distinguished Board of Directors comprising eminent, highly qualified, and extensively experienced individuals. Majorly all Board level committees are chaired by Independent Directors. We respect the independence of control functions including risk, compliance, audit and financial controls. We believe they play an important role in building the organization and they are not given any business responsibilities.

25. High Credit rating: Long Term credit rating of the Bank has been upgraded to AA+ by all four Credit rating agencies.

Bank's Long Term Credit Rating has been recently upgraded by CARE, CRISIL and ICRA

Rating Agency	Long Term Credit Rating	Month of Rating Review
CARE Ratings	AA (stable) to AA+ (stable)	October '23
CRISIL	AA (stable) to AA+ (stable)	June '23
ICRA	AA (stable) to AA+ (stable)	May '23
India Ratings	AA+ (negative) to AA+ (stable)	December '22

Conclusion

We are building a world class bank in India with highest levels of corporate governance, stable balance sheet growth of 20-22%, high asset quality, high teens ROE, contemporary technology, and high levels of customer centricity.



We are building a world class bank with:

- Highest levels of corporate governance
- Stable balance sheet growth of ~20-22%,
- Robust asset quality of GNPA < 2% and net NPA of < 1%
- High teens ROE
- Contemporary technology and
- High levels of Customer Centricity.

II. Looking Ahead, Plan for the next 5 years - Guidance 2.0 (FY24 to FY29)

The Bank has exceeded or met or most likely to meet most targets set at merger in December 2018. Despite many issues the Bank faced, such as legacy infrastructure loans, expenses of branch set up, digitization expenses, COVID and all other such adversities, the Bank has been run in a methodical and professional way. Every issue faced by the Bank whether asset side, liability side, asset quality or profitability has been dealt with in a step by step and methodical manner.

The Bank has a strong proven business model that is incrementally very profitable. The Bank is building a world class institution with highest levels of corporate governance, a consistent balance sheet growth of ~20%, with strong asset quality of GNPA < 1.5% and net NPA of < 0.4%, with ROE of 17-18%, with contemporary technology, unique business model, and high levels of Customer Centricity. The Bank has now released guidance under 2.0 under which the following have been guided.

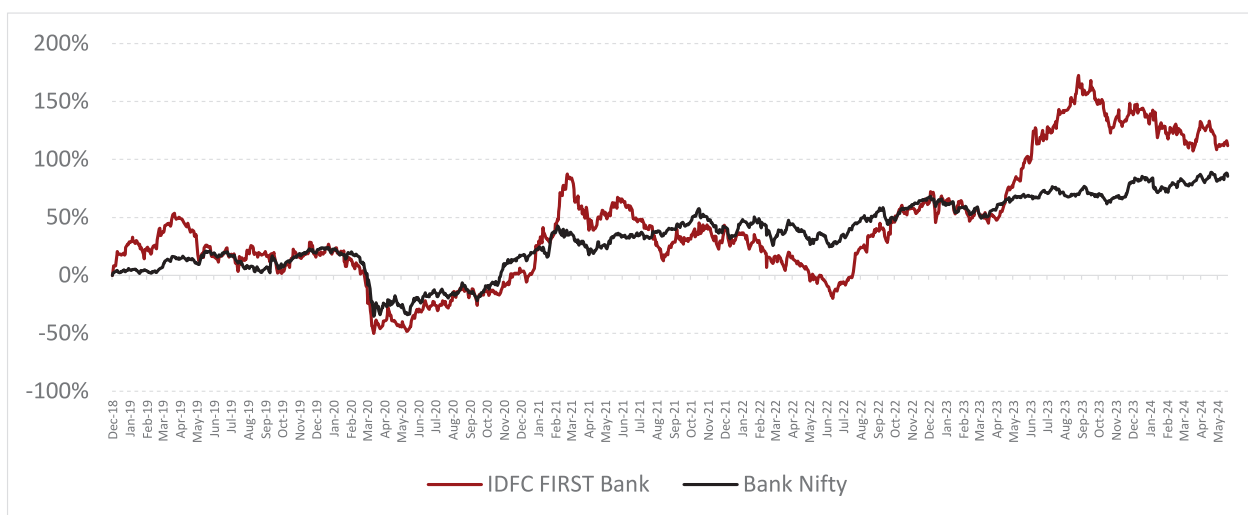
- Loan Book to grow from ₹ 2.0 lakh crore as on March 31, 2024 to ₹ 5.0 lakh crores as on March 31, 2029.
- The Bank has guided for Customer Deposits to grow from ₹ 1.9 lakh crores as on March 31, 2024 to 5.9 lakh crores as on March 31, 2029.
- Similarly, the Bank has guided that CASA deposits will reach ₹ 2.9 lakh crores by March 31, 2029.
- The Bank has guided the asset quality to achieve levels of Gross NPA of 1.50% and Net NPA of 0.40% by March 31, 2029.
- On profitability, the Bank has guided Profit After Tax from ₹ 2,957 crore for FY24 to around ₹ 12,000 - ₹ 13,000 crore by FY29.

Based on the foundation led, the Bank is confident of achieving this guidance.

III. Performance of Share Price since merger

Since the merger in December 2018 to date, the Bank NIFTY is up 82%, and in the same period, IDFC FIRST Bank stock price is up 105.2%. Further, the P/B of IDFC FIRST Bank stock has been rerated upwards from 0.87 at the time of merger in December 2018 to 1.70 currently. The Capital in this round is being raised at 1.77 P/B.

IDFC FIRST Bank share price performance against Bank NIFTY since merger



IV. Capital Adequacy

The Capital Adequacy Ratio is a significant benchmark for financial institutions globally, particularly since the implementation of the Basel Framework. In India, the Reserve Bank of India ("RBI") has introduced the Capital requirement under Basel III, which must be met by all scheduled commercial banks.

The business of the Bank has continued to grow in a steady manner. As on March 31, 2024, the Bank's Common Equity Tier I ("CET 1") ratio was 13.36%. Regulatory requirements for equity capital continue to increase with the adoption of Basel III requirements by the RBI.

The Bank is well capitalized for growth with capital adequacy of 16.11% as of March 31, 2024.

V. Purpose of Capital Raising

The implementation of Basel III guidelines has necessitated Indian banks to strengthen their capital base. Basel III requires banks to increase both the quantity and quality of their capital and maintain a capital buffer to withstand economic downturns. Banks must continuously adhere to the regulatory limits specified in Basel III capital regulations. These regulations were introduced in India on April 1, 2013, and were fully implemented by October 1, 2021. The purpose is to enhance the resilience and stability of the banking system in India by ensuring that banks maintain adequate capital to absorb potential losses and risks.

The Bank performs Capital Planning exercise under Internal Capital Adequacy Assessment Process ("ICAAP") to assess capital requirements for Basel III compliance and business growth. This process is reviewed quarterly, considering economic factors and future developments. Based on the assessment, the Bank develops a strategy to maintain sufficient capital aligned with its activities and risks, including raising fresh capital through different means available like preferential issue, institutional placements, and other permitted mode of raising capital.

The Bank has grown consistently over the last several years. The Bank has grown its loans and advances (including credit substitutes and net of IBPC) by 25% YoY in FY24 to reach ₹ 2,00,965 crore. As a result, the Balance Sheet of the Bank has grown by 23% during FY24.

The Bank has built a strong foundation and is well positioned for future growth. It aims to continue developing in a safe and stable manner, emphasizing strong fundamentals. To support its growth ambitions and capitalize on future opportunities, the Bank plans to strengthen its capital adequacy. The country's favorable economy provides numerous growth opportunities, and the Bank is well-equipped to participate. As the economy improves, it is crucial for the Bank to remain well-capitalized, with a strong CET 1 and Tier II capital base, to meet regulatory requirements and support its growth aspirations. Lending opportunities for well-capitalized banks remain robust, and the Bank's competitive position in the sector is strengthening.

After the last round of capital raise in October 2023, the RBI had raised the risk weights on consumer credit exposures which consumed ~1% of the Bank's capital. Hence, this capital is being raised prudently to meet the said regulatory requirements as well as creating an additional capital buffer for the future growth of the Bank.

The purpose of the capital raising is to reinforce the Bank's capital adequacy and prepare for future business opportunities in the growing economy. Considering these factors, the Bank intends to raise up to ₹ 3,200 crore.

With this fund raise, the Capital Adequacy of the Bank would be 17.49% as calculated on risk weighted assets as on March 31, 2024

DETAILS OF CAPITAL RAISING

The details in this regard as required in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI ICDR Regulations**”) and the Companies Act, 2013 (“**Companies Act**”) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014, are as follows:

A. Particulars of the offer, including the material terms, kind of securities offered, price at which the securities are being offered and the amount which the Bank intends to raise by way of such securities:

The Board, at its meeting held on **Thursday, May 30, 2024**, had subject to the approval of the Members and such other approvals as may be required, approved the Preferential Issue, involving the issue and allotment of up to 39,68,74,600 (Thirty nine crore sixty eight lakh seventy four thousand and six hundred) equity shares, fully paid-up, at the price of ₹ 80.63 (Rupees Eighty and sixty three paise only) per equity share (including premium of ₹ 70.63 (Rupees seventy and sixty three paise only) per equity share), aggregating ₹ 3,200 crore (rounded off) on a preferential basis, such price being not less than the minimum price as determined in accordance with the provisions of Chapter V of the SEBI ICDR Regulations.

The aforesaid equity shares shall rank *pari-passu* with the existing equity shares of the Bank in all respects.

B. Purpose/ Object of the Preferential Issue of equity shares:

The Object of the issue is to strengthen the capital adequacy of the Bank and prepare for future business opportunities in the growing economy. For further details please refer section ‘V. Purpose of Capital Raising’ forming part of the Explanatory Statement.

C. Maximum number of specified securities to be issued:

The resolution set out in this Notice authorize the Board to issue 39,68,74,600 (Thirty nine crore sixty eight lakh seventy four thousand and six hundred) equity shares at ₹ 80.63 per equity share (face value of ₹ 10 and premium of ₹ 70.63 per equity share) to the Proposed Allottees by way of Preferential Issue.

D. Intention of the Promoters, Directors, Key Managerial Personnel or Senior Management of the Bank to subscribe to the Preferential Issue:

None of the Promoter, the Directors, Key Managerial Personnel or Senior Management of the Bank intent to subscribe to any shares pursuant to this Preferential Issue of equity shares.

E. Shareholding Pattern of the Bank before and after the Preferential Issue of equity shares:

The pre-issue and post-issue shareholding pattern of the Bank (considering full allotment of equity shares issued on preferential basis) is given below:

Category	Pre issue Shareholding Structure		No. of equity shares to be allotted	Post issue Shareholding Structure	
	No. of Shares held	% of shares		No. of Shares held	% of shares
PROMOTERS' HOLDING (A)					
Indian Individual	-	-	-	-	-
Bodies Corporate	2,64,64,38,348	37.39	-	2,64,64,38,348	35.41
Foreign Promoters	-	-	-	-	-
Sub-total (A)	2,64,64,38,348	37.39	-	2,64,64,38,348	35.41
NON-PROMOTERS' HOLDING (B)					
a Institutional Investors (Including Mutual Funds/ Banks/ Financial institutions/ Insurance, etc.)	2,03,02,98,360	28.69	39,68,74,600	2,42,71,72,960	32.47
b Central Government/ State Government(s)/ President of India	26,14,00,000	3.69	-	26,14,00,000	3.50
c Non-Institutional investors					
Private Corporate Bodies	6,94,44,760	0.98	-	6,94,44,760	0.93
Directors and relatives	13,03,08,347	1.84	-	13,03,08,347	1.74
Indian Public	1,77,61,78,099	25.10	-	1,77,61,78,099	23.76
Others [including Non-resident Indians]	16,32,08,929	2.31	-	16,32,08,929	2.18
Sub-total (B)	4,43,08,38,495	62.61	-	4,82,77,13,095	64.59
GRAND TOTAL (A+B)	7,07,72,76,843	100.00	39,68,74,600	7,47,41,51,443	100.00

Note:

- The above pre-issue shareholding structure is as on the Ben-Pos dated May 24, 2024, being the latest practicable date prior to the approval of Board of Directors of the Bank and issuance of notice to the Members of the Bank.
- The post-issue shareholding structure is without taking into consideration of potential dilutions on account of allotment of equity shares due to any corporate action in the interim, including exercise of stock options granted under ESOP Scheme of the Bank, and consequently the post-issue shareholding percentage of the Proposed Allottees mentioned above may also stand altered.

F. Time frame within which the Preferential Issue shall be completed:

In terms of the SEBI ICDR Regulations, the proposed Preferential Issue to Proposed Allottees pursuant to the Special Resolution will be completed within a period of 15 (fifteen) days from the date of passing of resolution as set out at Item No. 1.

Provided further that where the allotment to any of the Proposed Allottees is pending on account of pendency of any application for approval or permission by any regulatory authority, the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, Stock Exchange(s) or other concerned authorities.

G. The identity of the natural persons who are ultimate beneficial owners of the equity shares proposed to be allotted and/or who ultimately control the Proposed Allottee is as follows:

In terms of Regulation 163(1)(f), this disclosure is not applicable to the Proposed Allottees subscribing to this preferential issue as the Proposed Allottees are insurance companies registered with the Insurance Regulatory and Development Authority of India.

H. The name of proposed allottees and percentage of post Preferential Issue capital that may be held by them in the Bank consequent to the Preferential Issue:

Sr. No.	Name of the Proposed Allottee	Pre issue Shareholding Structure*		No. of equity shares to be allotted	Post issue Shareholding Structure	
		Number	% of shares		Number	% of shares
1.	Life Insurance Corporation of India	1,42,01,484	0.20%	18,60,34,900	20,02,36,384	2.68%
2.	HDFC Life Insurance Company Limited	1,75,95,835	0.25%	8,06,15,200	9,82,11,035	1.31%
3.	Aditya Birla Sun Life Insurance Company Limited	1,73,55,737	0.25%	6,20,11,600	7,93,67,337	1.06%
4.	Bajaj Allianz Life Insurance Company Limited	2,08,30,006	0.29%	3,10,05,900	5,18,35,906	0.69%
5.	ICICI Lombard General Insurance Company Limited	94,40,167	0.13%	3,10,05,800	4,04,45,967	0.54%
6.	SBI General Insurance Company Limited	Nil	Nil	62,01,200	62,01,200	0.08%

*The above pre-issue shareholding is as on the Ben-Pos dated May 24, 2024, being the latest practicable date prior to the approval of Board of Directors of the Bank and issuance of notice to the Members of the Bank.

I. The change in control, if any, in the Company that would occur consequent to the preferential issue.

As a result of the proposed Preferential Issue of equity shares, there will be no change in the control or management of the Bank. However, the voting rights will change in tandem with the Shareholding Pattern.

J. No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

During the period from April 01, 2024, till date of notice of this Postal Ballot, the Bank has not made any preferential issue of equity shares.

K. Class or classes of persons to whom the allotment is proposed to be made and the current and post allotment status of the Proposed Allottees:

The Preferential Issue, if approved, is proposed to be made to above mentioned allottees. The Proposed Allottees are neither promoters of the Bank as on the date of this notice nor their status will change post Preferential Issue. The Proposed Allottees will be classified /continue to be classified as public shareholders pursuant to the proposed issuance.

L. Basis on which the price (including premium) has been arrived:

The equity shares are listed on BSE Limited and the National Stock Exchange of India Limited ('NSE') and the equity shares are frequently traded in accordance with the SEBI ICDR Regulations.

Accordingly, in terms of Regulation 164(1) of SEBI ICDR Regulations, the price at which equity shares will be allotted shall not be less than higher of the following:

- (a) Volume weighted average price of the equity shares of the Bank quoted on the Stock Exchange, during the 90 trading days preceding the Relevant Date is ₹ 80.63 per equity share; or
- (b) Volume weighted average price of the equity shares of the Bank quoted on the Stock Exchange, during the 10 trading days preceding the Relevant Date is ₹ 77.68 per equity share.

The share price on the NSE has been considered for arriving at the floor price of the shares to be allotted under the Preferential Issue, as NSE is the Stock Exchange with higher trading volumes of the equity shares of the Bank for the 90 trading days prior to the Relevant Date.

In view of the above, the issue price of the equity shares to be issued to the Proposed Allottees is ₹ 80.63 (Rupees Eighty and sixty three paise only) per equity share i.e., the higher of the price determined in accordance with the provisions of SEBI ICDR Regulations.

M. Relevant Date and Issue Price/ Price Band:

The Relevant Date for determining the price of equity shares for the purpose of the Preferential Issue in accordance with the SEBI ICDR Regulations, would be **Thursday, May 30, 2024**, i.e., the date 30 days prior to the date on which the resolution is deemed to be passed i.e., **Saturday, June 29, 2024**, the last date for e-Voting.

It is proposed to issue equity shares at a issue price of ₹ 80.63 per equity share (face value of ₹ 10 and premium of ₹ 70.63, per equity share) as determined on the Relevant Date which is in compliance with the provisions of SEBI ICDR Regulations.

The above issue price per equity share has been determined based on the Pricing methodology prescribed under Regulation 164 of Chapter V of SEBI ICDR Regulations.

N. Lock-in Period:

The equity shares to be allotted on a preferential basis to the Proposed Allottees, shall be subject to lock-in for such period(s), as may be applicable, in accordance with the provisions of Regulation 167 of the SEBI ICDR Regulations and any other applicable law for the time being in force.

Further, all the Proposed Allottees are an insurance companies registered with the Insurance Regulatory and Development Authority of India, accordingly the requirement of lock-in of pre-preferential shareholding is not applicable in terms of Regulation 158(5) read with Regulation 167(6) of the SEBI ICDR Regulations.

O. Re-computation of Issue Price:

Since the Bank's equity shares are frequently traded and have been listed on a recognized Stock Exchange for more than 90 trading days prior to the Relevant Date, there is no need for the Bank to re-compute the price of equity shares to be issued and therefore, the Bank is not required to submit the undertakings specified under the relevant provisions of the SEBI ICDR Regulations.

P. Principal terms of assets charged as securities:

Not applicable.

Q. Valuation for consideration other than cash and the justification for the allotment proposed to be made for consideration other than cash together with Valuation Report of the Registered Valuer:

Not applicable.

R. Report of a Registered Valuer:

Not applicable.

S. Certificate from Practicing Company Secretary

A copy of the certificate from Ms. Manisha Maheshwari [Membership No. ACS: 30224 and CP: 11031], Partner of M/s. Bhandari & Associates, Practicing Company Secretaries, certifying that the proposed Preferential Issue is being made in accordance with the requirements of the SEBI ICDR Regulations, as applicable, is made available on the website of the Bank at <https://www.idfcfirstbank.com/content/dam/idfcfirstbank/pdf/announcements/ICDR-Compliance-Certificate.pdf> to facilitate online inspection by the Members of the Bank.

T. Other Disclosures:

- [a] Given that all the Proposed Allottees are an insurance companies registered with the Insurance Regulatory and Development Authority of India and the requirement for a proposed allottee to not sell the equity shares of the Bank in the 90 (ninety) days preceding the Relevant Date is not applicable in terms of Regulation 158(5) read with Regulation 159(1) of the SEBI ICDR Regulations.
- [b] Issue of the equity shares pursuant to the Preferential Issue would be within the authorized share capital of the Bank.
- [c] The Bank has obtained the Permanent Account Number of the Proposed Allottees.
- [d] The Bank is in compliance with the conditions of continuous listing of equity shares as specified in the listing agreement with the Stock Exchange(s) where the equity shares of the Bank are listed and the SEBI Listing Regulations, as amended. The Bank is eligible to make the Preferential Issue under Chapter V of the SEBI ICDR Regulations.
- [e] Neither the Bank nor any of its Directors or Promoters are categorized as wilful defaulter(s) or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulter(s) issued by the Reserve Bank of India. Consequently, the disclosures required under Regulation 163(1)(i) of the SEBI ICDR Regulations are not applicable.
- [f] Neither the Bank nor any of its Directors and/ or Promoters is a fugitive economic offender as defined under the SEBI ICDR Regulations.
- [g] The requirement of obtaining Valuation Report from a Registered Valuer as prescribed under Regulation 163(3) of SEBI ICDR Regulations is not applicable for the present Preferential Allotment.
- [h] The Bank does not have any outstanding dues towards SEBI, the Stock Exchanges or the Depositories.
- [i] The Bank will make an application to the Stock Exchanges seeking its in-principle approval for the issuance of equity shares to the Proposed Allottees.
- [j] In accordance with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, as amended, no offer or invitation of any securities is being made to a body corporate incorporated in, or a national of, a country which shares a land border with India.

The raising of capital pursuant to the proposed resolution is subject to force majeure circumstances and conditions conducive capital market environment.

It should be noted that none of the Directors, Key Managerial Personnel of the Bank or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This Notice does not constitute an offer or invitation or solicitation of an offer of securities to the public within or outside India.

Nothing in this Notice constitutes an offer of securities for sale or solicitation in any jurisdiction in which such offer or solicitation is not authorized or where it is unlawful to do so.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 1 of this Notice.