



## IDFC FIRST Bank Limited

(formerly IDFC Bank Limited)  
CIN: L65110TN2014PLC097792

Website: [www.idfcfirstbank.com](http://www.idfcfirstbank.com) E-mail: [bank.info@idfcfirstbank.com](mailto:bank.info@idfcfirstbank.com)

Registered Office: KRM Towers, 7<sup>th</sup> Floor, No. 1 Harrington Road, Chetpet, Chennai - 600 031, Tamil Nadu, India

Tel: + 91 44 4564 4000 Fax: +91 44 4564 4022

Corporate Office: Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India

Tel: + 91 22 7132 5500 Fax: +91 22 2654 0354

### NOTICE OF POSTAL BALLOT

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars (as defined below)

To  
The Members of **IDFC FIRST Bank Limited**,

**NOTICE** is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the '**Companies Act**'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), Secretarial Standard issued by Institute of Company Secretaries of India on General Meetings ('**SS-2**'), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and other applicable laws and regulations, if any, that it is proposed to seek the consent of the shareholders ('**Members**') of IDFC FIRST Bank Limited (the '**Bank**' or '**IDFC FIRST Bank**'), for the resolutions appended herein below through postal ballot ('**Postal Ballot**') by way of remote electronic voting ('**E-voting**').

In view of the pandemic situation of COVID-19 and pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and in light of circulars issued by the Ministry of Corporate Affairs, Government of India (the '**MCA**') vide its General Circular No.14/2020 dated April 08, 2020 and General Circular No.17/2020 dated April 13, 2020 (the '**MCA Circulars**') and pursuant to Section 110 of the Companies Act and the Rules made thereunder, the Bank proposes for passing of resolutions as per this Postal Ballot Notice. In terms of said Section of the Companies Act and the Rules, a company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by Postal Ballot, shall, get any resolution (other than Ordinary Business and any Business in respect of which Directors or Auditors have right to be heard at any meeting) passed by means of Postal Ballot, instead of transacting the business in general meeting of the Company.

In terms of the MCA Circulars, in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, companies are advised to take all decisions requiring Members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of Postal Ballot/ E-voting in accordance with the provisions of the Companies Act and Rules made thereunder, without holding a general meeting that requires physical presence of Members at a common venue. The MCA has clarified that for Companies that are required to provide E-voting facility under the Companies Act, while they are transacting any business(es) only by Postal Ballot upto June 30, 2020 or till further orders, whichever is earlier, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Bank will send Postal Ballot Notice by e-mail to all its Members who have registered their e-mail addresses with the Bank, their Registrars and Transfer Agents or Depository/ Depository Participants and the communication of assent/ dissent of the Members will only take place through the E-voting system. This Postal Ballot is accordingly being initiated in compliance with the above MCA Circulars.

In compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot.

You are requested to peruse the following proposed Resolutions along with their respective Explanatory Statement and thereafter record your assent or dissent by means of E-Voting system only provided by the Bank.

## Special Business

### 1. TO INCREASE THE AUTHORIZED SHARE CAPITAL OF THE BANK AND CONSEQUENT ALTERATION OF THE MEMORANDUM OF ASSOCIATION OF THE BANK

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

**“RESOLVED THAT** pursuant to the provisions of Sections 13, 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (**‘Companies Act’**), read with the relevant rules made thereunder, the relevant provisions of the Banking Regulation Act, 1949, the rules, circulars, directions and guidelines issued by the Reserve Bank of India (**‘RBI’**), (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), such other statutes, laws, regulations, notifications and clarifications as applicable from time to time and the provisions of Memorandum and Articles of Association of the Bank and subject to such other approvals/ consents/ permissions/ sanctions, if any, including approval of RBI, Securities and Exchange Board of India (**‘SEBI’**), Stock Exchange(s) and other appropriate statutory authorities, institution or bodies, as the case may be necessary in this respect, the consent of the Members of the Bank be and is hereby accorded to increase the Authorized Share Capital of the Bank from ₹ 53,63,00,00,000/- (Rupees Five thousand three hundred sixty three crore only) comprising 5,32,50,00,000 (Five hundred thirty two crore and fifty lakh) equity shares of ₹ 10/- (Rupees Ten only) each and 38,00,000 (Thirty eight lakh) preference shares of ₹ 100/- (Rupees One hundred only) each to ₹ 75,38,00,00,000 /- (Rupees Seven thousand five hundred thirty eight crore only) comprising 7,50,00,00,000 (Seven hundred fifty crore) equity shares of ₹ 10/- (Rupees Ten only) each and 38,00,000 (Thirty eight lakh) preference shares of ₹ 100/- (Rupees One hundred only) each, by creation of additional 2,17,50,00,000 (Two hundred seventeen crore and fifty lakh) equity shares of ₹ 10/- (Rupees Ten only) each.

**RESOLVED FURTHER THAT** the Memorandum of Association of the Bank be and is hereby altered by substituting the existing Clause V thereof by the following new ‘Clause V’:

- V.** “The Authorized Share Capital of the Company is ₹ 75,38,00,00,000 /- (Rupees Seven thousand five hundred thirty eight crore only) comprising 7,50,00,00,000 (Seven hundred fifty crore) equity shares of ₹ 10/- (Rupees Ten only) each and 38,00,000 (Thirty eight lakh) preference shares of ₹ 100/- (Rupees One hundred only) each. The Company has the power to increase and reduce the Capital of the Company and to divide the Shares and the Capital for the time being into other classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company or otherwise and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by Articles of Association of the Company or otherwise.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as 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 steps and actions including but not limited to filing necessary forms with the Registrar of Companies and/ or other regulatory authorities, to provide a copy of the resolution certified to be true and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

### 2. 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 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 and the Companies (Share Capital and Debentures) Rules, 2014 and other relevant rules made there under, in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (**‘SEBI’**), including 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 modification(s) thereto or re-enactment thereof for the time being in force), provisions of the Listing Agreement entered into by the Bank with the Stock Exchange(s) where the shares of the Bank are listed, 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’**), Competition Commission of India, 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 (hereinafter referred to as 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), the consent of the Members be and is hereby accorded to the Board to create, issue, offer and allot 86,24,40,704 (Eighty six crore twenty four lakh forty thousand seven hundred and four) equity shares of face value of ₹ 10/- (Rupees Ten only) each fully paid up, on a preferential basis, at a price of ₹ 23.19/- (Rupees Twenty three and nineteen paise only) (including premium of ₹ 13.19/- each) per equity share, determined in accordance with the relevant provisions of Chapter V of SEBI ICDR Regulations, in such manner and on such other terms and conditions, as may be approved or finalized by the Board, to the following '**Proposed Allottees**' as detailed herein below:

Name of the Proposed Allottees	Category	No. of Shares to be allotted
IDFC Financial Holding Company Limited	Promoter	34,49,76,282
ICICI Prudential Life Insurance Company Limited	Non-Promoter	25,87,32,212
Dayside Investment Ltd	Non-Promoter	8,62,44,070
HDFC Life Insurance Company Limited	Non-Promoter	8,62,44,070
Bajaj Allianz Life Insurance Limited	Non-Promoter	8,62,44,070
<b>Total shares proposed to be allotted</b>		<b>86,24,40,704</b>

**RESOLVED FURTHER THAT** the '**Relevant Date**' for determining the price of the equity shares being allotted to the Proposed Allottees in accordance with the SEBI ICDR Regulations, is **Monday, May 04, 2020**, being the date, which is 30 days prior to the date on which the resolution will be deemed to be passed i.e. Wednesday, June 03, 2020.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of equity shares to be allotted in terms of this resolution shall be subject to applicable laws as well as the Memorandum and Articles of Association of the Bank and shall 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 equity shares shall 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.

**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 in accordance with the provisions of the Companies Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make an offer to the Proposed Allottees through private placement offer letter in Form PAS – 4 as prescribed under the Companies Act after passing of this resolution with a stipulation that the allotment would be made only upon receipt of in-principle approval from the Stock Exchange(s) i.e., BSE Limited and National Stock Exchange of India Limited, receipt of the consideration as aforesaid and within the timelines prescribed under the applicable laws.

**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 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 shares and listing thereof with the Stock Exchanges as appropriate, 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, 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.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors/ Officers of the Bank (as it may consider appropriate) to give effect to the aforesaid resolution."

By order of the Board of Directors of  
**IDFC FIRST Bank Limited**  
*(formerly IDFC Bank Limited)*

Date: May 01, 2020  
Place: Mumbai

**Satish Gaikwad**  
Head - Legal & Company Secretary

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolutions in respect of the businesses set out above is annexed hereto. A copy of the Postal Ballot Notice is also available on the Bank's website [www.idfcfirstbank.com](http://www.idfcfirstbank.com), on Bank's Registrar and Share Transfer Agent ('RTA') viz. KFin Technologies Private Limited ('KFIN') E-voting website <https://evoting.karvy.com> and at the relevant sections of the websites of the Stock Exchanges on which the shares of the Bank are listed.
2. Members who have not registered their e-mail addresses with either the Bank's RTA or their Depository participant (DP) are requested to register the same with the RTA in accordance with the process specified herein below at point no. 12B, for procuring user id and password and registration of e-mail ids for E-voting for the resolutions set out in this Postal Ballot Notice.
3. The Portal for E-voting will remain open for the Members for exercising their voting from **Tuesday, May 05, 2020 at 09:00 a.m.** India Standard Time ('IST') till **Wednesday, June 03, 2020 at 05:00 p.m. (IST)** both days inclusive. The E-voting needs to be exercised by 05:00 p.m. (IST) on Wednesday, June 03, 2020. Please note that E-voting module will be disabled for voting by RTA KFin Technologies Private Limited after the said date and time. During this period, the Members of the Bank holding shares either in physical form or dematerialised form, as on **Friday April 24, 2020 ('cut-off date')**, may cast their vote electronically. Once vote on a resolution is cast by the member, he/ she shall not be allowed to change it subsequently or cast the vote again.
4. The resolutions, 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. **Wednesday, June 03, 2020**. Further, resolutions passed by the Members through E-voting are deemed to have been passed effectively at a general meeting.
5. The Postal Ballot Notice is being sent by e-mail to all the Members, whose name appears on the Register of Members/ List of Beneficial Owners maintained by the Depositories as on cut-off date i.e. Friday, April 24, 2020 and who have registered their e-mail addresses in respect of electronic holdings with the Depositories through the concerned Depository Participants and in respect of physical holdings with the Bank's Registrar and Share Transfer Agent i.e. KFin Technologies Private Limited. Each Member's voting rights shall be in proportion to his/ her share of the Paid-Up Equity Share Capital of the Bank as on cut-off date, which will only be considered for voting.
6. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
7. The Board of Directors has appointed Mr. B Narasimhan (Membership No. F1303) Proprietor of M/s. BN & Associates, Practicing Company Secretaries, as Scrutinizer for scrutinizing the E-voting process and conducting Postal Ballot process in a fair and transparent manner. In case of any failure/ inability to scrutinize E-voting by Mr. B Narasimhan, Mr. Venkataraman K (Membership No. A8897), Practicing Company Secretary shall be alternate Scrutinizer to him.
8. The Scrutinizer shall prepare Scrutinizer's Report on the total votes cast in favour or against or abstained, if any. The Scrutinizer will submit his report to the Chairman of the Bank or any person authorized by him, after completion of scrutiny of votes received through E-voting. The results of the Postal Ballot will be announced on or before Friday, June 05, 2020. The results of the Postal Ballot will be posted on the Bank's website [www.idfcfirstbank.com](http://www.idfcfirstbank.com) and on KFIN's E-voting website <https://evoting.karvy.com> and will also be communicated to the Stock Exchanges where the Bank's shares are listed. In the event that the national lockdown on account of COVID-19 situation is eased off and the Bank's offices are open for business, the Bank will also display the results of the Postal Ballot at its Registered Office and the Corporate Office.
9. All the documents referred to in this Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be posted on the Bank's website [www.idfcfirstbank.com](http://www.idfcfirstbank.com) to facilitate online inspection of relevant documents until last date of E-voting of this Postal Ballot i.e. Wednesday, June 03, 2020.
10. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the 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 (in vernacular language, i.e. Tamil).

**To support the "Green Initiative" Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Bank's RTA or the Depository Participants, in respect of shares held in physical/ electronic mode respectively.**

11. In compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Regulation 44 of SEBI Listing Regulations, SS-2 and the provisions of the Ministry of Corporate Affairs Circulars, and any amendments thereto, the Bank is providing facility for voting by E-voting to all the Members of the Bank to enable them to cast their votes electronically on the items mentioned in the Notice. For this purpose, the Bank has engaged the services of its RTA viz. KFin Technologies Private Limited and have made necessary arrangements with RTA to facilitate E-voting. In terms of the General Circular No.14/2020 dated April 08, 2020 read with General Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, Government of India (the 'MCA Circulars'), voting can be done only by E-voting. As the E-voting does not require a person to attend to a meeting physically, the Members are strongly advised to use the E-voting procedure by themselves and not through any other person/ proxies. The detailed procedure with respect to E-voting is as follows.

12. **Voting through electronic means:**

The instructions and other information relating to E-voting are as under:

A. **In case a Member receiving an e-mail from KFIN [for Members whose e-mail IDs are registered with the Bank/ Depository Participant(s)]:**

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and Password provided in the e-mail). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with KFIN for E-voting, you can use your existing User ID and Password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail id, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN". Please select EVEN of IDFC FIRST Bank Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/ demat accounts shall choose the voting process separately for each folios/ demat accounts.
- ix. You may then cast your vote by selecting an appropriate option and click on "Submit".
- x. A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast.
- xi. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: [jdrcfirstbank.pb2020@kfintech.com](mailto:jdrcfirstbank.pb2020@kfintech.com) with a copy marked to [secretarial@jdrcfirstbank.com](mailto:secretarial@jdrcfirstbank.com). The scanned image of the above mentioned documents should be in the naming format "IDFCFIRST\_EVEN". The documents should reach the Scrutinizer on or before Wednesday, June 03, 2020 by 05:00 p.m. (IST) at KFin Technologies Private Limited [Unit: IDFC FIRST Bank Limited], Selenium Tower B, Plot 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana, India.

B. **In case of Members of the Bank have not registered their e-mail address:**

On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Bank will send Postal Ballot Notice in electronic form only and hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the Members would take place through the E-voting system only. Therefore, those Members who have not yet registered their e-mail address are requested to get their e-mail addresses registered by following the procedure given below:



1. In light of the MCA Circulars, Members who have not registered their e-mail address and in consequence could not receive the E-voting notice may temporarily get their e-mail registered with the Bank's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by following the registration process as mentioned below:

**Electronic folios:**

- (a) Visit the link <https://karisma.kfintech.com/emailreg>
- (b) Select the company name i.e. IDFC FIRST Bank Limited.
- (c) Shareholder to enter DPID-CLID / Folio No. and PAN.
- (d) Shareholder to enter the e-mail id and Mobile No.
- (e) System check the authenticity of the client id and PAN and send the different OTPs to Mobile and e-mail to Validate.
- (f) Shareholder to enter the OTPs received by SMS and e-mail to complete the validation process. (OTPs will be valid for 5 min. Only).
- (g) System confirms the e-mail id for the limited purpose of serviced postal ballot notice.
- (h) System will send the notice & procedure for E-voting to the e-mail given by shareholder.

**Physical folios:**

- (a) Visit the link <https://karisma.kfintech.com/emailreg>
- (b) Select company name i.e. IDFC FIRST Bank Limited.
- (c) Shareholder to enter physical Folio No and PAN.
- (d) If PAN is not available in the records, shareholder to enter one of the Certificate No.
- (e) Shareholder to enter the e-mail id and Mobile No.
- (f) System check the authenticity of the Folio No. and PAN/ Certificate No. and send the different OTPs to Mobile and e-mail to Validate.
- (g) Shareholder to enter the OTPs received by SMS and e-mail to complete the validation process. (OTPs will be valid for 5 min. Only).
- (h) If PAN is not available in the records, system will prompt to upload the duly signed scan copy of the PAN.
- (i) System confirm the registration of e-mail id.
- (j) System will send the notice & procedure for E-voting to the e-mail given by shareholder.

Post successful registration of the e-mail, the shareholder would get soft copy of the notice and the procedure for E-voting along with the User ID and the Password to enable E-voting for this Postal Ballot. In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

2. It is clarified that for permanent registration of e-mail address, the Members are however requested to register their e-mail address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Bank's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium Tower B, Plot 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana, India by following due procedure.
3. Those Members who have already registered their e-mail address are requested to keep their e-mail addresses validated with their Depository Participants/ the Bank's Registrar and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices/ documents/ Annual Reports electronically to their e-mail address.

In case of any query/ grievance pertaining to E-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> or contact Ms. Krishna Priya, Manager at KFin Technologies Private Limited [Unit: IDFC FIRST Bank Limited], Selenium Tower B, Plot 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana, India, e-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), Contact No.: +91 40 67161500, +91 40 33211000 and Toll Free No.: 1800 345 4001.

## ANNEXURE TO NOTICE

**Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out all material facts:**

### Item No. 1

#### **TO INCREASE THE AUTHORIZED SHARE CAPITAL OF THE BANK AND CONSEQUENT ALTERATION OF THE MEMORANDUM OF ASSOCIATION OF THE BANK**

The existing authorized share capital of the Bank is only ₹ 53,63,00,00,000/- (Rupees Five thousand three hundred sixty three crore only) comprising of 5,32,50,00,000 (Five hundred thirty two crore and fifty lakh) equity shares of ₹ 10/- (Rupees Ten only) each and 38,00,000 (Thirty eight lakh) preference shares of ₹ 100/- (Rupees One hundred only).

In order to meet Bank's growth objectives, business expansion plans and to further strengthen its financial position, it is felt necessary to infuse additional funds in the form of further capitalization and to generate long term resources by issuing securities.

Considering the proposed issue and allotment of equity shares on preferential basis as enumerated in Item No. 2 and in view to have an adequate Authorized Share Capital, it is proposed to appropriately increase the Authorized Share Capital of the Bank. The Authorized Share Capital of the Bank pre and post Increase would be as under:

Type	Face Value	Pre – Increase Existing Authorized Share Capital		Post – Increase Authorized Share Capital	
		No. of shares	Amount	No. of shares	Amount
Equity Shares	₹ 10	5,32,50,00,000	₹ 53,25,00,00,000	7,50,00,00,000	₹ 75,00,00,00,000
Preference Shares	₹ 100	38,00,000	₹ 38,00,00,000	38,00,000	₹ 38,00,00,000
<b>Total</b>			<b>₹ 53,63,00,00,000</b>		<b>₹ 75,38,00,00,000</b>

Further, consequent to the aforesaid, the Memorandum of Association of the Bank is proposed to be suitably altered. Article 3 of the Articles of Association states that the Authorized Capital would be as stated in Clause V of the Memorandum of Association and hence is not being amended. The provisions of the Companies Act, 2013 requires the Bank to seek the approval of the Members for increasing of the Authorized Share Capital and for the alteration of Capital Clause of the Memorandum of Association of the Bank.

The increase in Authorized Share Capital of the Bank is subject to receipt of approval of Reserve Bank of India/ any other regulatory authority, if any.

Copies of documents relevant to this Resolution including a copy of the amended Memorandum and Articles of Association of the Bank shall be made available on the Bank's website [www.idfcfirstbank.com](http://www.idfcfirstbank.com) to facilitate online inspection of relevant documents until Wednesday, June 03, 2020.

None of the Directors and Key Managerial Personnel of the Bank and/ or their Relatives are, in any way, financial or otherwise, concerned or interested in this resolution.

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

### Item No. 2

#### **TO ISSUE, OFFER AND ALLOT EQUITY SHARES ON PREFERENTIAL BASIS**

##### **Purpose of Preferential Issue**

"IDFC" is a strong institution which has contributed immensely to the building of infrastructure for our country and has built significant presence for over a decade in Mutual Funds, Institutional Equities, Investment Banking, and renowned for scaling up businesses successfully, and known for the highest levels of corporate governance in all lines of businesses it was present in. The retail liabilities and treasury platform of the bank has been built after starting the commercial banking license from the RBI in 2015.

Capital First was a strong NBFC focused on financing small enterprises and consumers and has a highly successful track record of developing unique technologies for financing India's underserved credit market, particularly those that were less touched by the extant banking system. The company grew retail AUM from ₹ 94 crore to ₹ 29,625 crore from March 31, 2010 to September 30, 2018, with a 5 year CAGR loan growth of 29% and with a 5 year CAGR PAT growth of 56%.

The merged bank is now called IDFC FIRST Bank. The Bank has clearly stated a strategy whereby the lending business of erstwhile Capital First is being placed on the liabilities platform of IDFC Bank, and put together, this is the main business model of IDFC FIRST Bank. Further, on the corporate banking side, the bank has immense opportunities on trade, forex, remittances, and credit, and intends to focus on well rated corporates. This model can be scaled up indefinitely given the opportunities and the unique capability we have.

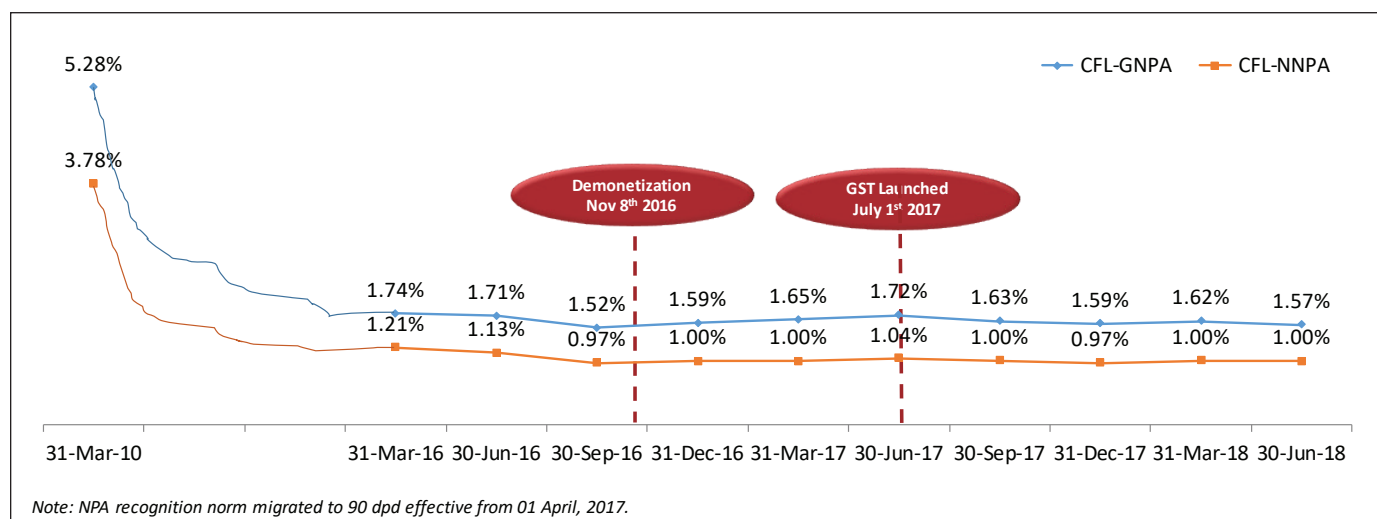


## Performance after merger in December 2018

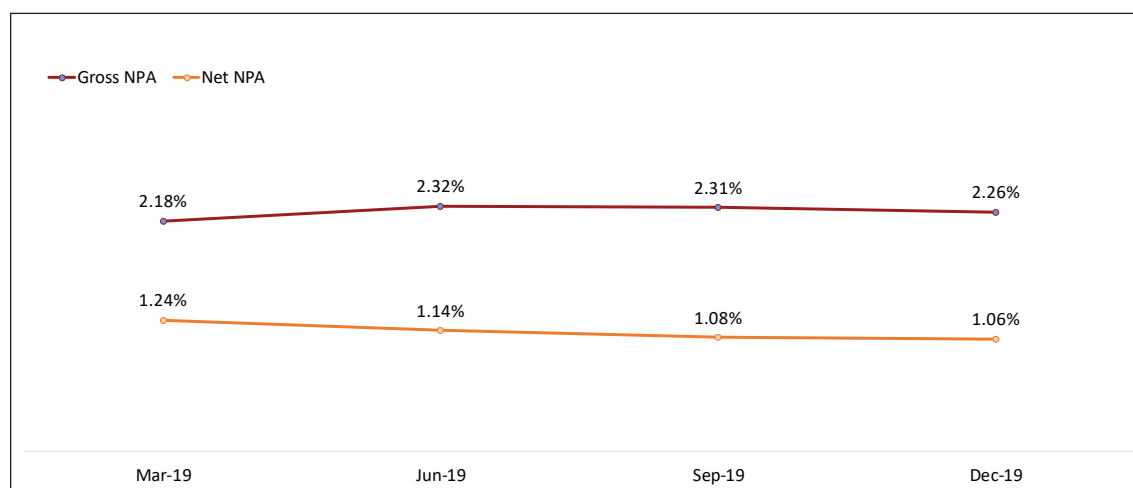
Post the merger, the Bank has grown steadily on its key business and financial parameters in the chosen market segments during the last year. The Bank is one of India's fastest growing private sector banks on retail assets and retail liabilities with an expanding presence across the country.

For the purpose of this note, the experience of both institutions independently pre-merger are considered the experience of the bank as the entities have merged. As a combined entity, starting from a small loan book of ₹ 94 crore in 2010, the Bank has now grown the retail credit book to over ₹ 54,027 crore. Post the merger and creation of IDFC FIRST Bank, the retail credit growth rate has continued at 32%, continuing from the Capital First's 5 year CAGR growth rate of 29%. Thus, the Bank has been honing its technologies on this front for ten years now and has refined and developed unique proprietary technologies to cater to the chosen segments in a profitable and sustainable manner. The important capability about this business is for the portfolio to have adequate seasoning over many cycles, and the Bank has experienced multiple lending cycles of disbursement and repayments for over 10 years and is now confident of continuing this journey for decades to come.

An important capability required to do this business is to control NPA. We are happy to share that for ten years, the NPA on the retail book of our bank (including Capital First) has been quite low at around levels of 2% of Gross NPA and net NPA of 1% consistently for a period of 10 years. During this period the Indian economy faced many headwinds; 2011-2014 (high inflation, high interest rates, and sharp slowdown of economic growth), 2016 (Demonetisation), 2017 (GST implementation) each of which significantly affected our target segments. Despite these events the NPA was low as per the chart below. Thus, the ability to serve our market segments with consistently high asset quality is our unique skill.



Post-merger, Gross and Net NPA pertaining to Retail Loans have continued to remain steady over the last four quarters on the banking platform. There are differences in accounting for NPA between an NBFC (above chart) and a Bank (below chart), which is factored in the change of numbers from the NBFC to the bank, as follows.



At first look, the loan book of the merged entity has been broadly flat over the last 1 year after the merger between Capital First and IDFC Bank.

Loan Book Particulars (in ₹ crore)	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20 (P)	YOY Growth% (Mar19- Mar20)
Total Loan Book	101,292	106,944	109,007	104,504	103,521	99,755	-6.7%

But a second glance will show that the mix of the loan book has changed a lot. The Bank has increased retail loans and reduced its wholesale loans in the overall loan mix. The retail loan book grew by 32.4% on a Y-o-Y basis during the year while the wholesale funded assets saw a reduction of 29%. The retail loan book is highly diversified with over 10 million customers.

The purpose of reduction of the wholesale book was to right-size the exposure of the loans in proportion to our net-worth. By this approach we have also achieved three additional and critical objectives:

- Better structural liquidity.
- This strategy helped us improve liquidity at the Bank, as repayments from wholesale loans were used to book retail loans. Further, the CASA and retail deposits raised from public provided us the extra liquidity which was used to repay short term funding of about ₹ 20,000 crore from Certificates of Deposits. This strategy has made the Bank's liability side structurally very strong.
- Conserving Capital: We have conserved precious capital. Our Capital Adequacy is still strong at 13.3% (December 2019).
- Better Diversification: This has also helped us diversify our loan book across a larger number of customers.

Retail Loans (in ₹ crore)	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20 (P)	YOY Growth% (Mar19- Mar20)
Retail Loan Book	36,236	40,812	44,642	48,069	51,506	54,027	32.4%

Wholesale Loans (in ₹ crore)	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20 (P)	YOY Growth% (Mar19- Mar20)
Wholesale Loan Book	59,849	56,665	55,648	49,269	45,271	40,415	-28.7%

Further, within the total Wholesale Loans, we decided that infrastructure financing will not be our core business and we have guided that our infrastructure loan book will wind down to NIL in five years by 2024, and we are well on our path in that direction. We have brought down the infrastructure book by 33.3% within 1 year during the year from ₹ 21,459 crore to ₹ 14,315 crore at March 31, 2020.

Infrastructure Loans (in ₹ crore)	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20 (P)	YOY Growth% (Mar19- Mar20)
Infrastructure Loans	22,710	21,459	20,322	17,211	15,016	14,315	-33.3%

As a result, the retail book which was 13% on September 30, 2018 (pre-merger), now stands at near 54% as of March 31, 2020 (60% including the inorganic PSL buyout where the underlying assets are retail loans, refer stock exchange filing on Q4 FY 2020 performance dated April 09, 2020).

Diversification of Loans (as % of total funded assets) Excluding retail PSL buyouts	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20 (P)
Retail Loans %	36%	38%	41%	46%	50%	54%
Wholesale Loans %	64%	62%	59%	54%	50%	46%

As a result of strong growth in the retail loan book with rebalancing through the reduction in the wholesale loan book, the Bank has been able to grow its Net Interest Margin (NIM) steadily which has also resulted in sustainable growth of core operating profit over the quarters. The NIM of our bank was 1.56% pre-merger (Q2 FY19).

Net Interest Margin (Quarterly Annualized)	Q3-FY19 (merger quarter)	Q4-FY19	Q1-FY20	Q2-FY20	Q3-FY20	Q4- FY20
NIM%	2.89%	3.03%	3.01%	3.43%	3.86%	To be announced

The Bank has witnessed strong success in raising deposits from retail customers. The retail deposits grew healthily by ₹ 20,684 crore from ₹ 13,214 crore at March 31, 2019, to reach ₹ 33,898 crore as on March 31, 2020, representing a Y-o-Y growth of 157%. Retail Deposits as a % of total deposits have increased sharply.

Retail Deposits (Retail CASA + Retail Term Deposits) (in ₹ crore)	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20 (P)	YOY Growth% (Mar19- Mar20)
Total Retail Deposits	10,400	13,214	16,672	22,629	29,267	33,898	157%
Retail Deposits (as % of Total Deposits)	17.11%	19.08%	25.33%	33.92%	43.45%	52.30%	

Further, during FY2020, the Bank's Total CASA Deposits grew by ₹ 12,865 crore from ₹ 7,893 crore as on March 31, 2019 to ₹ 20,758 crore as on March 31, 2020, a Y-o-Y growth of 163%. As a result, the CASA ratio of the Bank registered a strong YOY improvement to reach around 32% as on March 31, 2020 as compared to 11.40% as on March 31, 2019.

CASA	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20 (P)	YOY Growth% (Mar19- Mar20)
Total CASA	5,274	7,893	9,594	12,473	16,204	20,758	163%
CASA Ratio (as % of Total Deposits)	8.68%	11.40%	14.57%	18.70%	24.06%	32.03%	

The Bank is maintaining a strong liquidity position throughout. Liquidity Coverage Ratio (LCR) of the Bank at March 31, 2020 was strong at 140%. The bank will endeavor to keep LCR above regulatory limits at all times. Our Capital Adequacy is quite strong at 13.3% (December 2019) and more than the regulatory requirement.

The Bank has a good presence across the country through its 464 branches with more than 356 ATMs as of March 31, 2020.

The Bank has made significant investments in technology, processes and platforms, branches and human resources. As a growing Bank, the Bank will continue to invest in its liability franchise, technology and infrastructure platforms to expand its reach, introduce new products and services and enhance customer experience for its existing and new customers.

#### Then why did we feel the need to raise more equity capital at this stage?

As you know, our Bank has always maintained the highest levels of corporate governance. Post-merger, the Bank faced situations where we felt loan repayment was doubtful from certain accounts. In Q4-FY19, we identified that two financial entities Reliance Capital and Dewan Housing where we had large exposures of nearly ₹ 1,500 crore were in financial stress, and we promptly marked the bonds appropriately and took 15% provisions to the P&L in Q4-2019. In Q1-FY20, we increased our provisions to 75% on these accounts. We also took provisions on certain other infrastructure accounts taking total provisions to ₹ 1297 crore on these accounts. In Q2-FY20, we marked to market our Deferred Tax Asset to 25% and took a charge of ₹ 750 crore to our P&L, which impacted our net worth further. In Q3-FY20 we recognized one large telecom exposure as stressed and recognized ₹ 1622 crore, or 50% of the exposure to the P&L. Our bank has proactively recognized the stress in the corporate loan book in a transparent manner every time we were faced with any situation. This has resulted in the reduction in net worth over the last 1 year, and our Capital Adequacy while strong in itself, stands at 13.3%.

Currently, the Bank is required to maintain a minimum total Capital Adequacy Ratio of 10.875%, of which minimum Tier 1 is 8.875% including Capital conservation buffer. The Bank's total Capital Adequacy Ratio as at December 31, 2019 was 13.3%, which comprised mainly of Common Equity Capital. We would like to take our CET-1 (Common Equity Tier 1) Capital Adequacy to an even stronger level of more than 15% to have a fortress balance sheet.

As there is significant potential for the Bank to grow over the next many years, it is important that the Bank is adequately capitalized to support these growth plans.

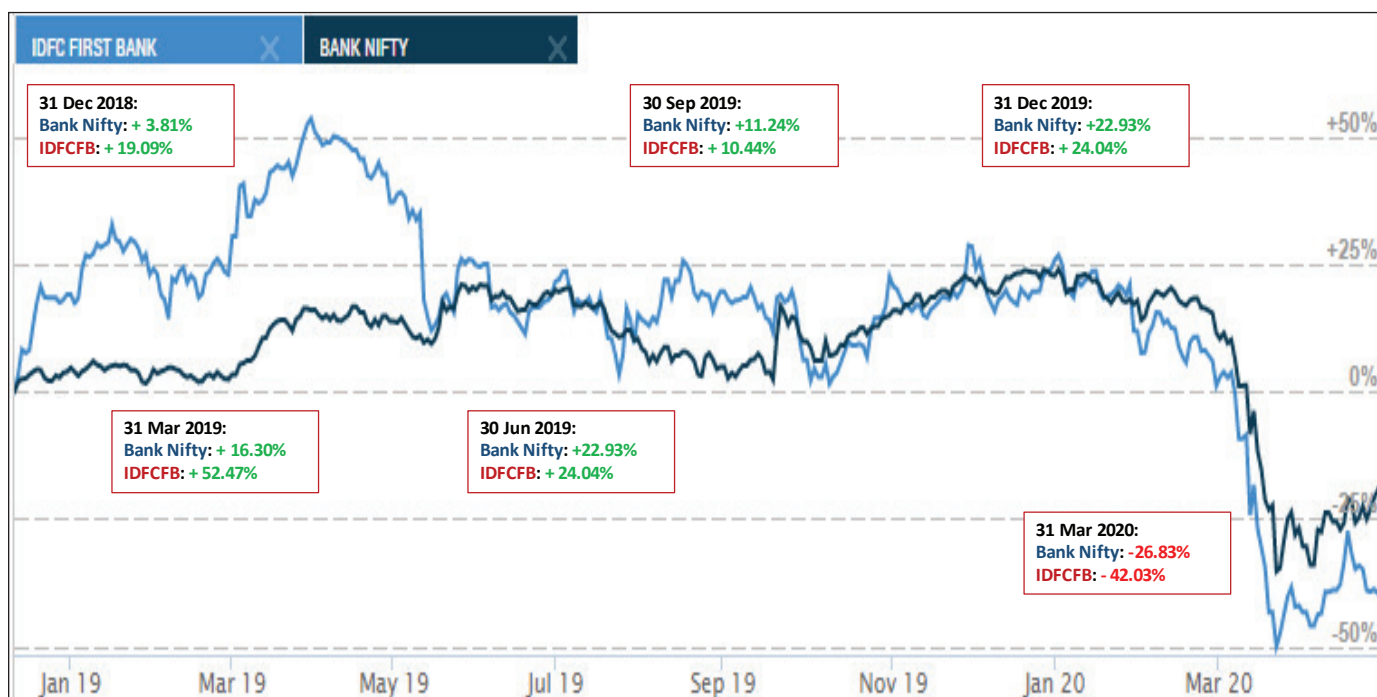
Further, COVID 19 has significantly impacted many businesses across the country. We have strong confidence in our quality of assessment of customers and our collection capabilities, and we will work hard with our customers to collect our dues. Even if there are delays in repayment, we expect to collect our dues over an extended period of time. Yet the exact impact of COVID 19 on our portfolio is bit uncertain and will only be seen over the next few quarters. By raising equity capital at this stage, we will enter the phase of COVID impact on the economy from a position of strength.

We are already rated FAAA by CRISIL for ₹ 50,000 crore fixed deposit program, which is the highest level of safety rating by CRISIL, but by raising this equity capital we will further strengthen our position. By raising equity capital at this stage and taking our CET-1 Capital Adequacy to a strong 15.5% or thereabouts, we will position our Bank in a position of extreme strength and stability.

**Share Price:** During the period of last 1 year post merger, the Bank's book value per share has reduced from ₹ 38.43 as on December 31, 2018 to ₹ 31.82 as of December 31, 2019 because of the provisions we have taken for some accounts mentioned earlier. Despite the reduction of networth by 17%, the stock price over the year after merger (preceding Coronavirus situation in March 2020) remained higher as compared to share prices around merger (December 11, 2018 to December 18, 2018 was the period of imminent merger) indicating re-rating of the stock and confidence of the markets in the strategy.

The stock price of the Bank was largely in line with the NSE Bank NIFTY over the entire year as compared to the price around merger as seen in the graph below. However, after the breakout of the COVID issue, the stock price in March suddenly fell by 43.66% as compared to the NSE Bank NIFTY fall of 33.69%, as the uncertainties increased due to lockdown. Share prices of banks, and indeed most businesses in India and across the globe fell sharply between 30-60%. All leading banks, Financial institutions including Mutual Fund, Insurance Companies, etc, have been badly affected during this unexpected arrival of COVID pandemic.

#### Price Movement Comparison between IDFC FIRST Bank and Bank Nifty since merger:



In the light of our growth opportunities, and the emerging COVID situation, we felt the need to raise equity capital. We are proud that three new high-quality investors with the highest pedigree have decided to support our bank even during the uncertain COVID environment which reflects the confidence of such investors in the huge potential for growth in our Bank and high corporate governance we represent. We are also proud that the promoters IDFC Limited (through IDFC Financial Holding Company Limited) are investing ₹ 800 crore in this round and Warburg Pincus (through their affiliate entity Dayside Investment Ltd) who have been with erstwhile Capital First since 2012 made their investment to retain their stake at the regulatorily maximum permissible limit of 10%.

The impact on the book value on account of this issue is marginal, the book value per share will reduce from ₹ 31.82 per share (as of December 31, 2019) to ₹ 30.39 per share post issue, i.e. a reduction of only Rs 1.43 per share, or a reduction of Book Value per share of 4.5% compared to Pre-issue Book Value Per Share, but in the process the bank gets additional equity capital of ₹ 2,000 crore which can be precious in these times. We believe going into a COVID environment with its related uncertainties this is a small price to pay for the larger interest of greater stability and strength in the Bank.

Thus, this capital raise of ₹ 2,000 crore is like availing an insurance for an emerging COVID situation, and positions us for strong growth going forward and take our capital adequacy to 15.5%, including CET-1 of 15.3% (based on December 31, 2019 financials). At such capital adequacy, we believe that the Bank shall be one of the highest CET-1 capitalized banks in the country, which is far higher than the regulatory requirements.

To sum up, the strong opportunities in India (India is an emerging economy and an underserved and under-penetrated market), the strong asset track record (combined with Capital First and IDFC Bank), combined with robust liability franchise we feel we are well placed to grow our business in the future. Also, the capital raise does give us buffer on account of unforeseen circumstances on account of COVID. It is our role to be strong and be strong custodians of public depositors/ shareholders and such capital raise will help to further strengthen the balance sheet immensely.

We therefore achieve the following in the process –

1. To provide equity capital, which is a foundation requirement of a bank, for our growth going forward;
2. To enter the phase of COVID related impact on the economy and borrowers from a position of strength;
3. At high levels of Capital Adequacy, we will continue to enjoy the highest levels of confidence from the Indian financial ecosystem including capital market participants, depositors and our customers; and
4. Prepare a strong capital foundation for us to leverage our capabilities and to grow the organization going forward.

The Board of Directors of the Bank at their meeting held on Friday, May 01, 2020 considered and approved the proposal of raising funds by way of preferential issue to the Promoters and certain persons/ entities ('Proposed Allottees'), subject to receipt of necessary approvals from Members and Stock Exchanges where the equity shares of the Bank are listed.

The details in this regard as required in terms of the SEBI ICDR Regulations and the Companies Act, 2013 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 preferential issue, kind of securities issued and the amount which the Bank intends to raise by way of such preferential issue:**

The Board, at its meeting held on Friday, May 01, 2020 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 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 to the Promoter and Non-Promoter Investors, such price being not less than the minimum price as on the 'Relevant Date' determined in accordance with the provisions of Chapter V of the SEBI ICDR Regulations.

**B. Object of the preferential issue of equity shares:**

The Object of the issue is to strengthen the Capital Adequacy Ratio of the Bank and ensure it is adequately maintained over and above the regulatory minimum and also with a view to augment funds to meet the short-term and long-term working capital requirements of the existing business operations and support its future growth plans and for general corporate purposes.

**C. Maximum number of specified securities to be issued:**

The resolutions set out in this Notice authorize the Board to issue 86,24,40,704 equity shares at ₹ 23.19/- per equity share (face value of ₹ 10/- and premium of ₹ 13.19/- per equity share) as per the table specified below:

SN	Proposed Allottees	Maximum number of shares to be issued
1.	IDFC Financial Holding Company Limited	34,49,76,282
2.	ICICI Prudential Life Insurance Company Limited	25,87,32,212
3.	Dayside Investment Ltd	8,62,44,070
4.	HDFC Life Insurance Company Limited	8,62,44,070
5.	Bajaj Allianz Life Insurance Limited	8,62,44,070
	<b>Total Shares to be issued</b>	<b>86,24,40,704</b>

**D. Intention of the Promoters, Directors or Key Managerial Personnel to subscribe to the proposed preferential issue:**

IDFC Financial Holding Company Limited, Promoter, is intending to participate/ subscribe to the proposed issue. In compliance with the RBI Guidelines for 'Licensing of New Banks in the Private Sector', Promoter is required to maintain 40% shareholding in the Bank.

Apart from above, none of the Directors or Key Managerial Personnel of the Bank intends to subscribe to any shares pursuant to this preferential issue of equity shares.

**E. Basis on which the price has been arrived:**

The equity shares are listed on BSE Limited and the National Stock Exchange of India Limited and the equity shares are frequently traded in accordance with the SEBI ICDR Regulations. For the purpose of computation of the price per equity share, trading at the National Stock Exchange of India Limited (the Stock Exchange which had the highest trading volume in respect of the equity shares) has been considered.

All the Proposed Allottees including the Promoter qualify as 'Qualified Institutional Buyers' in terms of Regulation 2(ss) of Chapter I of the SEBI ICDR Regulations. In terms of Regulation 164(4) of Chapter V of the SEBI ICDR Regulations, the present preferential issue being made to Qualified Institutional Buyers, not exceeding five in number, at a price not less than the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on National Stock Exchange of India Limited during the two weeks preceding the Relevant Date.

**F. Relevant Date and Issue Price:**

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 **Monday, May 04, 2020**, i.e. the date 30 days prior to the date on which the resolution is deemed to be passed i.e. Wednesday, June 03, 2020, the last date for E-voting.

It is proposed to issue equity shares at an issue price of ₹ 23.19/- (face value of ₹ 10/- and premium of ₹ 13.19/-, per equity share) as determined on the Relevant Date which is in compliance with the provisions of SEBI ICDR Regulations.

**G. Shareholding Pattern of the Bank before and after the preferential issue of equity shares:**

The shareholding pattern of the Bank giving the position as on the latest available benpos dated Friday, April 24, 2020 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 and after assuming the proposed preferential issue of equity shares is provided hereunder:

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
Promoter and Promoter Group					
Individual	-	-	-	-	-
Bodies Corporate	1,92,39,61,207	40.00	34,49,76,282	2,26,89,37,489	40.00
Foreign Promoters					
Sub-total (A)	1,92,39,61,207	40.00		2,26,89,37,489	40.00
Public (Non-promoter’s holding)					
Institutional Investors (Including Mutual Funds/ Banks/ Financial institutions/ Insurance, etc.)	85,54,45,437	17.79	51,74,64,422	1,37,29,09,859	24.20
Government Holding	26,14,00,000	5.43	-	26,14,00,000	4.61
Non-institution					
Individuals	1,05,92,15,445	22.02	-	1,05,92,15,445	18.67
Bodies Corporate	9,50,04,754	1.98	-	9,50,04,754	1.67
Others (including NRIs/ Foreign Bodies Corporate)	54,99,55,537	11.43	-	54,99,55,537	9.70
Any other (including HUF, Trusts, NRIs, etc.)	6,49,20,636	1.35	-	6,49,20,636	1.14
Sub-total (B)	2,88,59,41,809	60.00		3,40,34,06,231	60.00
TOTAL (A+B)	4,80,99,03,016	100.00		5,67,23,43,720	100.00

\* The above shareholding pattern and percentage are based on capital as on April 24, 2020 without taking into consideration of potential dilutions by way of allotment of shares upon any other corporate action in between.



**H. Proposed time 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. 2.

Provided that the allotment to any of the Proposed Allottees is subject to receipt of requisite approval from RBI/ any other regulatory authority, if any, in regard to the increase of the Authorized Share Capital of the Bank.

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.

**I. Identity of the Proposed Allottees and the percentage of post preferential issue capital that may be held by them:**

To meet the object of the issue, below Proposed Allottees, have shown its intent to subscribe to equity shares of the Bank.

Name of the Proposed Allottees	Category	Pre issue Shareholding Structure		No. of equity shares to be allotted	Post issue Shareholding Structure	
		Number	% of shares		Number	% of shares
IDFC Financial Holding Company Limited	Promoter	1,92,39,61,207	40.00	34,49,76,282	2,26,89,37,489	40.00
ICICI Prudential Life Insurance Company Limited	Non-Promoter	-	-	25,87,32,212	25,87,32,212	4.56
Dayside Investment Ltd*	Non-Promoter	55,31,602	0.12	8,62,44,070	9,17,75,672	1.62
HDFC Life Insurance Company Limited	Non-Promoter	-	-	8,62,44,070	8,62,44,070	1.52
Bajaj Allianz Life Insurance Limited	Non-Promoter	1,35,33,000	0.28	8,62,44,070	9,97,77,070	1.76

\* Dayside Investments Ltd along with Cloverdell Investment Ltd, both a Warburg Pincus LLC Group entities, together holds 47,72,64,867 equity shares constituting 9.92% of the pre-issue shareholding and 56,35,08,937 equity shares constituting 9.93% of the post-issue shareholding of the Bank.

**J. 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 Allottees is as follows:**

Name of the Proposed Allottees	Details of Ultimate Beneficial Owners
IDFC Financial Holding Company Limited ('IDFC NOFHC')	IDFC Limited*
ICICI Prudential Life Insurance Company Limited	Not Applicable^
Dayside Investment Ltd	Mr. Charles Kaye@
HDFC Life Insurance Company Limited	Not Applicable^
Bajaj Allianz Life Insurance Limited	Not Applicable ^

\* IDFC Limited owns 100% shareholding of IDFC NOFHC as per RBI licensing guidelines for Bank. IDFC Limited is a Listed entity.

^ Not Applicable to Insurance Companies as per Regulation 163(1)(f) of the SEBI ICDR Regulations

@ There is no natural person who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than 25% of shares or capital or profits of Dayside Investment Ltd, or exercises control through other means except that the governance and decision making with respect to the shares held by the shareholders of Dayside Investment Ltd is controlled by an entity, which in turn, is controlled by Mr. Charles Kaye, Chief Executive Officer of Warburg Pincus LLC.

**K. Consequential Changes in the Voting Rights and Change in Management or Control:**

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, voting rights will change in tandem with the shareholding pattern.

None of the Directors nor any Key Managerial Personnel of the Bank have any shareholding interest to any of the Proposed Allottees.

**L. 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 to each Proposed Allottee, in accordance with the provisions of Chapter V of the SEBI ICDR Regulations and any other applicable law for the time being in force.

Further, the entire pre-preferential issue shareholding of the Proposed Allottees, if any, shall be locked-in as per the SEBI ICDR Regulations. As per Regulation 158 of the SEBI ICDR Regulations the lock-in of pre-preferential issue shareholding of Insurance Companies are exempted.

**M. Re-computation of Issue Price:**

Since the Bank's equity shares are frequently traded and have been listed on a recognised Stock Exchange for more than 26 weeks 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.

**N. 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:**

This is not applicable in the present case as the proposed allotment is made for consideration in cash.

**O. Other Disclosures:**

- (a) A copy of the certificate from B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), the Statutory Auditors of the Bank, certifying that the preferential issue is being made in accordance with the requirements of the SEBI ICDR Regulations, as applicable, shall be made available on the website of the Bank [www.idfcfirstbank.com](http://www.idfcfirstbank.com) to facilitate online inspection by the Members until Wednesday June 03, 2020.
- (b) Neither the Bank's name nor any of its Promoter or Directors name is appearing in the list of willful defaulters categorized by any Bank or Financial Institution or consortium thereof in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India nor have they been identified as fugitive economic offenders as per the Fugitive Economic Offenders Act, 2018.
- (c) The Proposed Allottees have not sold equity shares of the Bank in the 6 (Six) months preceding the Relevant Date. As per Regulation 158 of the SEBI ICDR Regulations, this requirement is not applicable *inter-alia* to Insurance Companies.
- (d) During the period from April 01, 2019 till date of notice of this Postal Ballot, the Bank has not made any preferential issue.
- (e) 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.

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

Section 62 of the Companies Act, 2013 provides *inter-alia*, that when it is proposed to increase the issued capital of a Bank by allotment of further shares, etc., such further shares shall be offered to the existing Members of the Bank in the manner laid down in the Section unless the Members in general meeting decide otherwise by passing a Special Resolution. Therefore, consent of the Members by way of Special Resolution is being sought pursuant to the provisions of Sections 42 and 62 and all other applicable provisions of the Companies Act, 2013 read with its Rules and SEBI ICDR Regulations.

The Members are, therefore, requested to accord their approval authorizing the Board of Directors for proceeding with the proposed private placement and/or preferential issue as set out in the resolution at Item No. 2.

It should be noted that Mr. Vishal Mahadevia is a member of the Warburg Pincus LLC Executive Management Group and Mr. Sunil Kakar is Managing Director & Chief Executive Officer of IDFC Limited. Both Mr. Vishal Mahadevia and Mr. Sunil Kakar have abstained from voting at the Board Meeting dated May 01, 2020 that has approved the preferential issue of shares. None of the other Directors or any of KMP of the Bank or their relatives are interested in this resolution.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 2 of this Notice.