

IDFCFIRSTBANK/SD/198/2023-24

November 13, 2023

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C - 1, G - Block
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051.

NSE - Symbol: IDFCFIRSTB**BSE Limited**

Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001.

BSE - Scrip Code: 539437

Sub.: Receipt of Observation Letters with 'no objection' from the National Stock Exchange of India Limited and 'no adverse observations' from BSE Limited in relation to the proposed amalgamation of IDFC Limited and IDFC Financial Holding Company Limited into and with IDFC FIRST Bank Limited ("Bank") ("Scheme").

Ref.: Application under Regulation 37 and 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to the Scheme

Dear Sir / Madam,

This is in connection with our letter dated July 03, 2023 informing about the decision taken by the Board of Directors of the Bank approving the proposed Scheme under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws including the rules and regulations, subject to requisite approvals *inter alia* from the Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), the Competition Commission of India, the National Company Law Tribunal ("NCLT"), BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and other statutory and regulatory authorities, and the respective shareholders, under applicable laws.

In this regard, we would like to inform you that the Bank has received observation letter with 'no objection' from the National Stock Exchange of India Limited and observation letter with 'no adverse observations' from BSE Limited, vide their respective letters dated November 13, 2023. The copies of said letters are enclosed herewith.

The Scheme remains subject to various statutory and regulatory approvals *inter-alia* including approvals from the RBI, the NCLT and the respective shareholders of the companies involved in the Scheme.

Request you to take the above on record.

Thanking You,

Yours faithfully,

For **IDFC FIRST Bank Limited**

Satish Gaikwad

Head – Legal & Company Secretary

National Stock Exchange Of India Limited

Ref: NSE/LIST/36517/36524_I

November 13, 2023

The Company Secretary
IDFC Limited
4th Floor, Capitale Tower,
555 Anna Salai,
Thiru Vi Ka Kudiyiruppu, Teynampet,
Chennai- 600018

The Company Secretary
IDFC First Bank Limited
KRM Tower, 7th Floor, No. 1,
Harrington Road,
Chetpet, Chennai -600 031

Kind Attn.: Ms. Shivangi Mistry**Kind Attn.: Mr. Satish Gaikwad**

Dear Sir,

Sub: Observation Letter for draft composite scheme of amalgamation among IDFC Financial Holding Company Limited (Transferor Company) and IDFC Limited (Transferee Company / Amalgamating Company) and IDFC First Bank Limited (Amalgamated Company) and their Respective Shareholders (under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder).

We are in receipt for draft composite scheme of amalgamation among IDFC Financial Holding Company Limited (Transferor Company) and IDFC Limited (Transferee Company / Amalgamating Company) and IDFC First Bank Limited (Amalgamated Company) and their Respective Shareholders (under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder) vide application dated July 15, 2023 and July 14, 2023 respectively.

Based on our letter reference no. NSE/LIST/36517/36524 dated September 21, 2023, submitted to SEBI pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 (Circular) and Regulation 94(2) of SEBI (LODR) Regulations 2015 along with SEBI/HO/DDHS//DDHS_Div1/P/CIR/2022/103 dated July 29, 2022 and Regulation 94A(2) of SEBI (LODR) Regulations 2015, SEBI vide its letter dated November 10, 2023, has inter alia given the following comment(s) on the draft scheme of arrangement:

1. Comments in accordance with Regulation 37(1) of SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021

- a) *The Company shall ensure that the proposed composite scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) *Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

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- c) *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.*
- d) *Company shall ensure that no changes to the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges, except those mandated by the regulators/authorities/ tribunals.*
- e) *The entities involved in the scheme shall ensure compliance with various provision of SEBI master circular dated November 23, 2021.*
- f) *Company shall ensure that information pertaining to all the unlisted Companies involved, if any, in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- g) *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- h) *The Company shall disclose details of asset and liabilities merged in the IDFC First Bank Limited, reasons for reduction of securities premium account, details of regulatory actions against the entities, details of shareholding involved in each stage of the scheme, share capital build-up of the Companies, detailed rationale for swap ratio, details of contingent liabilities being transferred to IDFC First Bank Limited as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232, so that the public shareholders can make an informed decision in the matter.*
- i) *Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*
- j) *Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- k) *Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- l) *Company shall ensure that no changes to the draft scheme except those mandated by the regulators/authorities/ tribunals shall be made without specific written consent of SEBI.*
- m) *Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- n) *Company shall comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed Scheme.*

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o) It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.

2. Comments in accordance with Regulation 59A(1) of SEBI Master circular no. SEBI/HO/DDHS/DDHS Div1/P/CIR/2022/103 dated July 29, 2022

a) Companies involved shall not provide any misstatement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular ref. no. SEBUHO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022.

b) Company shall include information pertaining to the unlisted entity in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021, in the notice or proposal to be sent to the holders of NCDs/ NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered merchant banker after following the due diligence process.

c) The entities involved in the proposed scheme shall ensure that the proposed scheme shall comply with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.

3. Comments considering the comments of Reserve Bank of India (RBI)

a) The Company shall ensure to disclose information which are mandatory to be disclosed to the shareholders in the explanatory statement as per Companies Act, 2023 (Annexure A) which enables the shareholders to take an informed decision with respect to scheme of amalgamation.

4. Company shall disclose the No Objection letter of the Stock Exchanges (s) on its website within 24 hours of receiving the same.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 and 59A of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

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However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from November 13, 2023, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Annexure A:

The details of Notice and Explanatory (“N&E”) statement to be circulated to the shareholders for seeking their approval for the Scheme would be basis the requirements under section 230-232, rules thereof and SEBI LODR and No Objections certificate issued by the Stock Exchanges.

The following information shall be submitted as a part of the N&E statement:

1. Notice of meeting: The notice of the meeting pursuant to the order of tribunal to be given in Form No. CAA-2
2. Copy of Scheme
3. Corporate Identification Number (CIN)
4. Permanent Account Number (PAN)
5. Name of the Company
6. Date of Incorporation
7. Type of the Company (whether Public or Private or One Person Company)
8. Registered Office Address and Email Address
9. Summary of main object as per Memorandum of Association (MOA); and main business carried on by the Company.
10. Details of change of name, registered office and objects of the Company during the last five years.
11. Name of the Stock Exchange(s) where the securities of the Company are listed.
12. Details of the capital structure of the Company including authorised, issued, subscribed and paid up share capital; and names of the promoters and directors along with their addresses.
13. Relationship between the Companies involved in the scheme.
14. If the scheme of compromise or arrangement relates to more than one company, then the facts and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement including holding, subsidiary or of associate companies.
15. Disclosure about effects of M&A on material interest of directors, Key Managerial Personnel and Debenture Trustees.

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16. Details of Board Meeting: Date of Board Meeting at which the scheme was approved by the Board of Directors. The name of the Directors who voted in favour of the resolution, the name of the directors who voted against the resolution and the name of the Directors who did not vote or participate on such resolution.
17. Explanatory Statement disclosing details of the scheme of compromise or arrangement including: Parties involved in such compromise or arrangement; appointed date; effective date; share exchange ratio (if applicable) and other considerations, if any, Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at the registered office of the Company; Details of capital or debt restructuring, if any; Rational for the compromise or arrangement.
18. Benefits of the compromise or the arrangement as perceived by the Board of directors to the Company, members, creditors and others (as applicable); amount due to unsecured creditors.
19. Disclosure as per section 230(3) about the effect of Merger & Amalgamation (M&A) on Key Managerial Personnel, Directors, Promoters, Non-Promoter Members, Depositors, Creditors, Debenture Holders, Deposit Trustee, and Debenture Trustee, Employee of the Company, Shareholders of the Company.
20. Report adopted by the directors of the merging companies explaining effects of compromise on each class of shareholders, Key Managerial Personnel, Promoters and Non-Promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties.
21. Details investigation or proceedings, if any, pending against the Company under the Act.
22. Details of approval, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received, or pending for the proposed scheme of compromise or arrangement. A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or wherever applicable, by voting through electronic means as per Section 230(3).
23. A copy of the joint valuation report.

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DCS/AMAL/TL/R37/2971/2023-24

November 13, 2023

**The Company Secretary,
IDFC LIMITED**

4th floor, Capitale Tower, 555, Anna Salai, Thiru Vi
Ka Kudiyiruppu, Teynampet, Chennai, Tamil Nadu,
600018

**The Company Secretary,
IDFC First Bank Ltd**

KRM Tower, 7th Floor, No.1 Harrington Road,
Chetpet, Chennai, Tamil Nadu, 600031

Dear Sir,

Sub: Observation Letter regarding the Composite Scheme of Amalgamation between IDFC Financial Holding Company Limited (Transferor Company) and IDFC Limited (Transferee Company/Amalgamating Company) with IDFC FIRST Bank Limited (Amalgamated Company) and their respective shareholders

We are in receipt of the Composite Scheme of Amalgamation between IDFC Financial Holding Company Limited (Transferor Company) and IDFC Limited (Transferee Company/ Amalgamating Company) with IDFC FIRST Bank Limited (Amalgamated Company) and their respective shareholders as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI (LODR) Regulations, 2015; SEBI vide its letter dated November 10, 2023, has inter alia given the following comment(s) on the Composite Scheme of Amalgamation:

Comments in accordance with Regulation 37(1) of Master Circular No. SEBI/HO/CFD/DILI/CIR/P/2021/665 dated November 23, 2021

- a. "The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."
- b. "The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- c. "The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company and the stock exchanges."
- d. "The entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/ authorities/ tribunal."
- e. "The Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated November 23, 2021."
- f. "The Company shall advise the applicant that the information pertaining to all the Unlisted Companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement

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or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.”

- g. “The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.”
- h. “The Company is advised to disclose details of assets and liabilities merged in the IDFC First Bank Limited, reasons for reduction of securities premium account, details of regulatory actions against the entities, details of shareholding involved in each stage of the scheme, share capital build-up of the companies, detailed rationale for swap ratio, details of contingent liabilities being transferred to IDFC First Bank, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.”
- i. “The Company is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.”
- j. “The Company is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.”
- k. “The Company is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.”
- l. “No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”
- m. “The Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT.”
- n. “The Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.”
- o. “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Comments considering comments of RBI

- p. “The Company is advised to disclose Information which are mandatory to be disclosed to the shareholders in the explanatory statement as per Companies Act, 2023 (Annexure A) which enable shareholders to take an informed decision with respect to the scheme of Amalgamation.”

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted

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company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Prasad Bhide
Senior Manager



Tanmayi Lele
Assistant Manager

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Annexure A

The details in the Notice and Explanatory ("N&E") statement to be circulated to the shareholders for seeking their approval for the Scheme would be basis the requirements under section 230-232, rules thereof and SEBI LODR and No Objection certificate issued by the stock exchanges.

Typically, the following information is submitted as part of the N&E statement:

1. Notice of Meeting: The Notice of the meeting pursuant to the order of tribunal to be given in Form No. CAA-2.
2. Copy of Scheme;
3. Corporate identification Number (CIN);
4. Permanent Account Number (PAN);
5. Name of the company;
6. Date of incorporation;
7. Type of the Company (whether public or private or one person company);
8. Registered office address and e-mail address;
9. Summary of main object as per the memorandum of association; and main business carried on by the company;
10. Details of change of name, registered office and objects of the company during the last five years;
11. Name of the stock exchange (s) where securities of the company are listed;
12. Details of the capital structure of the company including authorised, issued, subscribed and paid up share capital; and Names of the promoters and directors along with their addresses.
13. Relationship between the companies involved in the Scheme;
14. If the scheme of compromise or arrangement relates to more than one company, then the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies;
15. Disclosure about effect of M&A on material interests of directors, Key Managerial Personnel (KMP) and debenture trustee;
16. Details of Board Meeting: The date of the board meeting at which the scheme was approved by the board of directors The name of the directors who voted in favour of the resolution, the name of the directors who voted against the resolution and the name of the directors who did not vote or participate on such resolution.
17. Explanatory Statement disclosing details of the scheme of compromise or arrangement including: Parties involved in such compromise or arrangement; Appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any; Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at the registered office of the company; Details of capital or debt restructuring, if any; Rationale for the compromise or arrangement;
18. Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable); Amount due to unsecured creditors;
19. Disclosure about the effect of the Merger & Amalgamation (M&A) on
20. Section 230(3) Key Managerial Personnel; Directors; Promoters; Non- Promoter Members; Depositors; Creditors; Debenture holders; Deposit trustee and debenture trustee; Employees of the company; Shareholders of the Company
21. Report adopted by the directors of the merging companies explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties; i. Below Mentioned Details: Following below mentioned details Investigation or proceedings, if any, pending against the company under the Act.
22. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement

A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means A copy of the joint valuation report, if under Section 230(3) j.