

IDFCFIRSTBANK/SD/139/2023-24

September 11, 2023

National Stock Exchange of India Limited

Mumbai 400 051.

NSE Symbol: IDFCFIRSTB

BSE Limited

Mumbai 400 001.

BSE Scrip Code: 539437

Subject: GQG Partners acquires shares of IDFC FIRST Bank from Mr. V. Vaidyanathan, sale proceeds to be deployed by him to exercise Stock Options and increase stake from 0.58% to 1.04%.

Dear Sir/Madam,

In compliance with disclosure requirements of Regulation 30 of SEBI LODR, we wish to inform you that GQG Partners has acquired 5,07,39,653 equity shares of the Bank from Mr. V. Vaidyanathan, MD & CEO of the Bank in a block trade transaction, and the Bank has been duly informed that the proceeds of the sale net of STT and other brokerage charges of ₹ 478.7 crore will be utilized for subscribing to fresh shares of the Bank through exercise of options, for payment of related income tax and for contributing to specific pre-committed social causes.

The background to this transaction is as follows. Capital First had originally granted CMD stock options to Mr. Vaidyanathan. Capital First merged with IDFC Bank in December 2018, and as part of the Amalgamation Scheme jointly agreed upon by IDFC Bank and Capital First, these Capital First CMD stock options were converted to IDFC FIRST Bank stock options. As these options are approaching their expiry, these are being exercised accordingly.

To exercise these options, Mr. Vaidyanathan is required to pay the exercise price to the Bank. Furthermore, Capital First was an entrepreneurial venture and the options have appreciated in value over the years due to progress made by Capital First and IDFC FIRST Bank. Hence, he is also required to pay Income Tax on the appreciation in the market value of the options over the option grant price, calculated as of the date of the exercise. To finance the same, he has executed the sale of the above-mentioned shares. We would like to share the details of the utilization of the sales proceeds as follows:

Sr. No	Utilization of sale proceeds	Amount (₹)
1.	Payment to IDFC FIRST Bank to subscribe to new shares of the bank.	229.0 Cr
2.	Payment to Income Tax for exercising the stock options	240.5 Cr
3.	Contribution to pre-committed causes including: a. National Association of Blind for skilling and rehabilitation of blind people, b. Contribution to Birla Institute of Technology Scholarship Program where he studied, c. Contribution to Rukmini Social Trust, and other such social contributions	9.2 Cr
	Total Utilization of Sale proceeds	478.7 Cr

It is further disclosed that Mr. Vaidyanathan had earlier transferred 5,00,000 shares of his holdings in Capital First which is equivalent of 69,50,000 shares of IDFC FIRST Bank, to a Social Trust of which he is a Trustee. The Trust currently holds 50,93,860 shares of the Bank, net of periodic sales used for social contributions.

Including the shares held in the above-mentioned Social Trust, Mr. Vaidyanathan's shareholding in IDFC FIRST Bank will increase from 0.58% as of June 30, 2023, to 1.04% of the paid-up capital of the Bank because of this transaction. Further, including options yet to be converted, his shareholding is 1.23% of the total share capital of the Bank.

The payments to the Bank and to income tax mentioned above include payments for recently exercised tranches made by availing loans, which are being repaid with the proceeds of the sale of the said shares. The above exercise of shares includes 16,00,000 options granted by the Bank post-merger.

The Bank has been informed by the MD and CEO that no part of the proceeds will be used for any personal consumption or for making any other investments other than in the Bank, income tax and for the reasons described above.

Thanking you,

For **IDFC FIRST Bank Limited**

Satish Gaikwad

Head – Legal & Company Secretary