



November 16, 2022

The Manager – Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex, 5th Floor
Bandra (E), Mumbai - 400051
NSE Code: IDFC

The Manager – Listing Department
BSE Limited
2nd Floor, P.J. Towers,
Dalal Street, Mumbai - 400 001
BSE Scrip-532659

Sub: Clarification/Confirmation on news item appearing in Economic Times -Today

Dear Sirs/Madam,

This is with reference to the news article in economic times- Mumbai on November 16, 2022 captioned "IDFC Merger may be Delayed on Fair Value Issue".

In this regard we would like to clarify and state as under:

The abovementioned article is baseless, false and misleading and from "unidentified sources". These are all media speculations and do not serve the purpose of corporate governance for listed companies.

We wish to reiterate that the Company is committed to its ongoing corporate restructuring plan to enhance shareholders' value.

At this point, there is nothing that requires disclosure and we cannot and do not comment on market speculation.

We hope the above clarifies.

Thanking you,

Yours faithfully,
For IDFC Limited

SHIVANGI
MAHESH
MISTRY

Digitally signed by
SHIVANGI MAHESH
MISTRY
Date: 2022.11.16
11:19:20 +05'30'

Shivangi Mistry
Company Secretary

Encl.: A/a

CC: Economic Times, Mumbai

IDFC Merger may be Delayed on Fair Value Issue

IDFC wants a higher share swap ratio while lender is keen to have future potential factored in, say analysts

Saloni Shukla@timesgroup.com

Mumbai: The merger of parent IDFC with its unit IDFC First Bank is likely to take longer than expected as the managements of both the institutions are looking to extract value for their respective shareholders, said two people familiar with the process.

While IDFC is asking for a higher returns for its existing shareholders, the private lender is seeking a fair value keeping in mind its future earnings and growth potential, said the people.

"Both parties are discussing how to discover the fair value. Valua-

tions are yet to be worked out while IDFC is seeking a higher share swap ratio, the bank wants the holding company to consider its future potential before zeroing in on the ratio," a senior executive involved in the talks said on condition of anonymity. "No final proposal is on the table yet and it is most likely getting pushed to the next financial year."

IDFC and IDFC First Bank did not respond to queries emailed by ET.

The merger will give IDFC First bank access to nearly ₹4,000 crore of capital, a bulk of which came from IDFC Ltd selling its mutual fund business to Bandhan Bank. IDFC Ltd shareholders are likely to bene-



fit from the clean-up of the bank's balance sheet and the groundwork laid for their tailloans growth take-off.

"The reverse merger could lead to value unlocking and remove the holding company discount. IDFC shareholders have lost out after the demerger as they do not have a direct line of sight to the operating earnings of the bank. Shareholders are expected to benefit if the plan goes through," said another executive, who also did not wish to be identified.

IDFC owns more than 36% stake in IDFC First bank. IDFC First Bank shares have risen 15% since the start of 2022, while IDFC shares

have risen 25%.

While the bank has a market capitalisation of more than ₹35,000 crore its holding company, IDFC, has a market value of a little less than ₹19,000 crore.

In July last year, the Reserve Bank of India allowed IDFC to exit as the promoter of IDFC First Bank since the five-year lock-in period had ended, paving the way for a potential reverse merger between the two entities.

In October 2021, IDFC, through its step-down subsidiary, IDFC Financial Holding Company, sought the bank's consent for merger, to which the bank agreed in December 2021.

TOP AMCs' FUND MOVEMENTS IN OCTOBER 2022

AMC	BUY	SELL	COMPLETE EXIT	FRESH BUY
SBI MF	Bajaj Finance	HDFC Bank	HUDCO	Global Health
	P&G Hygiene	Coal India	SAIL	Volta
	Infosys	Larsen & Toubro	—	—
ICICI Pru MF	ICICI Lombard	Bharti Airtel	United Spirits	IndusInd Bank
	Maruti Suzuki India	HCL Technologies	BASF India	Canara Bank
	Zee Entertainment	Axis Bank	—	—
HDFC MF	Bharti Airtel	Coal India	Bank Of India	—
	Mahindra & Mahindra	Power Finance Corp	Engineers India	—
	IndusInd Bank	State Bank Of India	—	—
Nippon India MF	Gland Pharma	Indian Hotels	Indian Oil Corp	Canara Bank
	Samvardhana Motherson	Kotak Mahindra Bank	Century Plyboard	Sonata Software
	Power Finance Corp	The Federal Bank	Garden Reach	—
UTI MF	Maruti Suzuki India	State Bank Of India	Power Grid Corp	The Ramco Cements
	Mindtree	ITC	—	—
	UltraTech Cement	Dr. Reddy's Labs	—	—
Axis MF	HDFC Bank	ICICI Bank	Torrent Pharma	Tata Chemicals
	Cipla	Hindustan Unilever	PB Flntech	Kansal Nerolac Paints
	PI Industries	Samvardhana Motherson	—	—
Kotak MF	Tata Chemicals	Shree Cement	Westlife Foodworld	Power Finance Corp
	Maruti Suzuki India	ICICI Lombard	Finolex Cables	Cholamandlam Inv.
	Axis Bank	HDFC Bank	—	Karur Vysya Bank
Aditya Birla SL MF	Infosys	HDFC Bank	Indian Oil Corp	Bank Of India
	HDFC	Pfizer	Relaxo Footwears	—
	Axis Bank	Kotak Mahindra Bank	The India Cements	—
Mirae MF	Ratnam Industries	Axis Bank	L&T Infotech	—
	Debur India	Sun Pharma	—	—
	Mindtree	Torrent Pharma	—	—
DSP MF	Kotak Mahindra Bank	Cholamandlam Inv.	Volta	Pfizer
	AJ Small Finance Bank	SBI Life Insurance	Godrej Consumer Products	Suven Pharma
	Akam Laboratories	ICICI Bank	Unichem Laboratories	BNEL
Franklin Templeton MF	Larsen & Toubro	TCS	Aarti Industries	Zee Entertainment
	HDFC	HDFC AMC	IDFC	ICICI Lombard
	IndusInd Bank	HDFC Bank	—	Castrol India
Tata MF	Zee Entertainment	HDFC	United Breweries	DCSA Chemicals
	IndusInd Bank	—	—	—
	—	—	—	—

ORDER PASSED BY 2:1 MAJORITY OPINION

SC Dismisses Sebi's Review Petition in Reliance Inds Case

Our Bureau

Mumbai: The Supreme Court has dismissed a petition filed by the Securities and Exchange Board of India, seeking the review of an August 5 order directing the regulator to share certain documents with Reliance Industries.

A three-member bench dismissed Sebi's plea by a 2:1 majority opinion.

According to the recent order, uploaded by the court registry last Friday, the then Chief Justice of India, UU Lalit, favoured the issue of notice in Sebi's petition, while Justices JK Maheshwari and Hima Kohli did not agree with it. "In view of the majority opinion, the review petition stands dismissed," it said.

In its August 5 order, the court had directed Sebi to share with Reliance Industries copies of a report by chartered accountant YH Malegam and the first and second opinions given by retired SC judge BN Srikrishna in a two-

decade-old case.

These documents are related to a 2002 complaint filed by S Gurumurthy with Sebi against Reliance, its associate companies and directors.

The complaint alleged that Reliance had fraudulently allotted 120 million equity shares to entities purportedly connected with the promoters, and that the allotment had been funded by Reliance and other group companies.

Sebi filed a petition on September 29, seeking a review of the order.

"After careful perusal of the averments made in the Review Petition, in my opinion, no plausible ground to entertain the petition, or to review the judgment dated 05.08.2022 is made out. The grounds urged do not fall within the limited parameters of review jurisdiction," Justice Maheshwari said in his order.

Day Trading Guide Nifty Securities



Nifty closed at the highest level since October 18, 2021. On daily charts, this is the second highest close for the Nifty. November and December have been good months for equity markets if we were to go by the historical seasonal performance charts of last 29 years. Dollar index and bond yields in the US have seen bearish trend reversals and same is expected to augur well for world equity markets. Nifty has got strong support at recent swing low of 17,969 and unless it closes below that trend will remain bullish for the short term. Near term resistance is seen at an all-time high placed at 18,604-odd levels.

Tech Picks

VINAY RAJANI, CMT, Senior Technical and Derivative Analyst

JK PAPER

Stock is placed above all important moving averages, indicating bullish trend on all time frames.

LAST CLOSE • ₹25.75 STOP LOSS • ₹391

HAPPIEST MIND

BUY TARGET
₹460,
486

BUY TARGET

SMALLER BANKS SEE MOST BUYS IN OCTOBER

MFs Bet On Laggards with Potential for Leadership

Fund managers of domestic mutual funds in October bought into select stocks that have been laggards in recent years. Bank stocks saw the biggest churn during the month with fund houses selling large lenders and buying their smaller peers. For instance, large mutual funds bought IndusInd Bank, Canara Bank, Bank of India, and Karur Vysya Bank, while selling HDFC Bank, SBI and HDFC. The bet on bank stocks is that the pick-up in the credit cycle is expected to benefit smaller lenders, which have cleaned up their books and posted healthy profits in the September quarter. Fund managers also purchased shares of select companies in pharma, IT, defence, cement and hospitality because of cheaper valuations. — Rajesh Maldu and Prashant Mahesh