

Date: December 01, 2022

Dear Investor,

IDFC Asset Management Company Limited ("IDFC AMC") operates a portfolio management business ("PMS Business"), having registration as a Portfolio Manager ("PM") bearing registration number: INP000002064 under the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time ("PM Regulations").

We would like to inform you that the board of directors of IDFC Limited ("IDFCL") and the board of directors of IDFC Financial Holding Company Limited ("IDFC FHCL") at their respective meetings held on April 06, 2022, had, inter alia, considered binding bids received in connection with divestment of stake of IDFC FHCL (a wholly owned subsidiary of IDFCL) in IDFC AMC and had approved sale of the entire shareholding of IDFC AMC to a group of bidders comprising of Bandhan Financial Holdings Limited ("BFHL"), Lathe Investment Pte. Ltd., Tangerine Investments Limited and Infinity Partners ("Proposed Transaction").

After completion of the Proposed Transaction, shareholding pattern of IDFC AMC, on a non-fully diluted basis, will be as follows, approximately:

Name of Shareholder	Shareholding %
Bandhan Financial Holdings Limited	59.97%
Lathe Investment Pte Ltd	19.99%
Tangerine Investments Limited	18.51%
Infinity Partners	1.48%
Rajendra K Mishra	0.04%
Anurag Mittal	0.01%
TOTAL	100%

The Portfolio Management Agreement ("PMA") with the investors/ clients of IDFC AMC will be changed on account of change in control of IDFC AMC, and subject to receiving necessary approvals, the name of IDFC AMC will change as mentioned subsequently in this notice ("Notice").

About Bandhan Financial Holdings Limited:

BFHL is a wholly owned subsidiary of Bandhan Financial Services Limited ("BFSL"), a Non - Banking Finance Company - Core Investment Company. BFHL was incorporated in 2014 and is a non-deposit accepting and systemically important non-banking financial company, which is a non-operative financial holding company duly registered with the Reserve Bank of India ("RBI").

BFSL had applied to RBI for setting up a new universal bank in the private sector under the Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013 ("Banking Guidelines") and the RBI granted its no-objection certificate pursuant to in-principle approval letter dated April 09, 2014, to act as the promoter of Bandhan Bank Limited.

Thereafter, BFSL had set up BFHL as its subsidiary, which in turn set up Bandhan Bank Limited in terms of the Banking Guidelines.

A) Expected benefits of the proposed transaction:

The Bandhan group has been a pioneer in the microfinance sector and has made significant contributions in enhancing the much-desired goal of financial inclusion in India since the establishment of Bandhan Bank Limited. The acquisition of IDFC AMC would provide the Bandhan Group access to a scaled - up fund portfolio management platform, with an experienced management team and a pan India distribution network and hence accelerate its efforts in this direction. Further, the Bandhan group has the necessary expertise, capability, and experience in the management of public funds.

Please note that the Proposed Transaction will not result in any change in the governance mechanism of IDFC AMC, but only result in a change in control of the PM (as defined under PM Regulations) and change in directors of IDFC AMC. Notwithstanding these changes, BFHL envisages continuity of the current management team and investment processes at IDFC AMC. As a result, the investors/ clients would continue to benefit from the same high - quality investment approach that IDFC AMC is reputed for.

B) Proposed changes pursuant to the Proposed Transaction:

- IDFC FHCL will transfer its entire shareholding, representing 99.96% (i.e. 2,67,90,450 equity shares of Re. 1 each) of the total paid up equity share capital of IDFC AMC, on a non-fully diluted basis.
- All existing directors of IDFC AMC will resign from the board of directors of IDFC AMC.
- The necessary amendments to PMA with the investors/clients will be carried out to reflect the above and other enabling changes.
- Subject to necessary approvals and consents, "IDFC Asset Management Company Limited" will be renamed as "Bandhan Asset Management Company Limited" or any other as may be approved by Registrar of Companies, Mumbai. Consequently, the corporate logo, marketing material, all documents and stationery etc. will undergo changes to reflect the new identity.

C) Regulatory requirement

Regulation 11(aa) of PM Regulations requires prior approval of SEBI for affecting any change in control of PM registered with SEBI. Further, SEBI requirements also mandate that the exit option should be provided to existing investors/ clients without exit load in case of such change of control of the PM, as specified in the Circular No. SEBI/HO/IMD-1/DOF1/P/CIR/2022/77 dated June 2, 2022 ("PM Circular").

In light of the foregoing, the Proposed Transaction is subject to a prior approval from SEBI in terms of Regulation 11(aa) of the PM Regulations for change in control in IDFC AMC. Accordingly, we wish to inform you that SEBI in terms of its letter dated November 30, 2022 has granted its approval for the Proposed Transaction pursuant to an application dated May 5, 2022 filed by IDFC AMC with SEBI.

D) Exit Option for Investors

1. Accordingly, this letter serves as a communication to the investors/ clients about the change in control of IDFC AMC (in terms of the PM Regulations) pursuant to the Proposed Transaction. Please note:
 - (a) if you would like us to continue our service of managing/ administering your portfolio of investments post completion of the Proposed Transaction, **no action is required to be taken at your end**; or
 - (b) should you decide not to continue with our service of managing/ administering your portfolio of investments post completion of the Proposed Transaction, an option is hereby being provided to you to exit without exit load, in accordance with and subject to the terms and conditions set out below.

It may be noted that the offer to exit is merely an option and is not compulsory.

2. Considering the aforementioned facts/information, and keeping in view the Proposed Transaction, the exit option shall be subject to the terms and conditions set out below:
 - (a) an option is being hereby provided to you to fully exit from our services of managing/ administering your portfolio of investments on Redemption Day (as defined hereafter) subject to applicable management fee, performance fee, administrative fees and applicable taxes and statutory charges and determined in accordance with applicable law ("**Exit Option**"). Please note that no partial exit/redemption is allowed in terms of this Exit Option;
 - (●) you may exercise the above Exit Option anytime during the exit option period i.e., commencing from the opening business hours on **December 05, 2022** till the closing business hours of **January 03, 2023** ("**Exit Option Closing Date**") (both days inclusive) ("**Exit Option Period**"); and
 - (●) the aforesaid Exit Option will be available to all the investors/ clients as on **November 30, 2022**.
3. You may further take note that:
 - (a) considering the facts/information provided herein, and keeping in view the Proposed Transaction, in order to exercise the Exit Option, the investors/ clients are requested to apply for the Exit Option in format prescribed in **Annexure A (PMS Account closure)** (and **email us** a scanned copy of the same at **Email: investor.services@idfc.com** or post/ courier the same to:

Name : Sanchita Borkar

Address : IDFC Asset Management Company Limited,
6th Floor, Tower 1C, One World Center, Jupiter Mills Compound,
841 Senapati Bapat Marg, Elphinstone, Mumbai - 400013. **Phone** : 022 - 43422799

- (b) in case you do not have any objection to the Proposed Transaction, no action is required to be taken at your end;
- (c) for the purposes of the Exit Option, redemption day ("**Redemption Day**") shall mean Exit Option Closing Date (hereinafter referred to as "**T**").
- (d) in case of redemptions consequent to the exercise of the said Exit Option, the redemption is subject to applicable portfolio management fee, performance fee, administrative fees and applicable taxes and statutory charges, if any.
- (e) the redemption amount shall be credited to your account, as per service standard, by investment manager (i.e., IDFC AMC) in T + 15 business days in your registered bank account only, subject to maximum of 30 days from date of receipt of your redemption request; and
- (f) any redemption requests received by IDFC AMC before and/or after the Exit Option Period shall be treated as per normal course.

We, at IDFC AMC, are committed in our endeavor to provide you quality, world class investment options and services. We believe that we are entering into a new phase and look forward to your continued support and patronage.

For any assistance required, you may call us on 022 - 43422799 or write to us at investor.services@idfc.com.

Thanks & Regards

For **IDFC Asset Management Company Limited**

Vishal Kapoor
Chief Executive Officer

Place : Mumbai

Financial products, instruments and investments like AIF and PMS are subject to market risks and returns / yields / liquidity from these may vary depending on different factors that affect financial markets. There is no assurance or guarantee that the objectives of such products will be achieved. Investors are not being offered any guaranteed or assured returns.

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