

# CORPORATE GOVERNANCE REPORT

## PHILOSOPHY ON CORPORATE GOVERNANCE

Being a professionally run enterprise with no single promoter or promoter group, effective board oversight and sound Corporate Governance practices are fundamental to the quest of IDFC Limited (“IDFC” or “the Company”) in delivering long-term value to all its stakeholders. Good Corporate Governance is intrinsic to the management of IDFC.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust. Therefore, it always seeks to ensure that its performance goals are met with integrity. By adopting such a framework as it does, IDFC is renowned for exemplary governance standards since inception and continues to lay a strong emphasis on appropriate and timely disclosures and transparency in its business dealings.

Corporate Governance is a continuous process at IDFC. It is about commitment to values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

## BOARD OF DIRECTORS

The Board of Directors oversee the management functions to ensure that they are effective and enhance value for all the stakeholders. The Board’s mandate inter alia is to have an oversight of the Company’s strategic direction, to review corporate performance, assess the adequacy of risk management and mitigation measures, to authorise and monitor strategic investments, to ensure regulatory compliance as well as high standards of governance and safeguard interests of all stakeholders.

## COMPOSITION OF THE BOARD

The Board has an appropriate combination of Executive and Non-Executive Directors (“NEDs”), including Independent Directors

(“IDs”). As on March 31, 2019, IDFC’s Board consisted of 7 Directors, comprising of (i) Three IDs, including an Independent Non-Executive Chairman; (ii) A Managing Director & Chief Executive Officer (“MD & CEO”); (iii) Two Nominee Directors representing the Government of India (“GoI”) and (iv) One Nominee Director representing institutions which have invested in the Company. The composition of the Board represents an optimal mix of professionalism, knowledge and experience across various fields viz. banking, global finance, accounting and economics which enable the Board to discharge its responsibilities and provide effective leadership to the business. None of the Directors of your Company are inter-se related to each other. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations (“SEBI LODR Regulations”), read with Section 149(4) of the Companies Act, 2013 (“Act”) with the Company having Independent Non-Executive Chairman and more than one third of the Board comprising of IDs.

**Table 1** gives details of the composition of the Board of Directors for FY19 including their Directorships and Memberships / Chairpersonships of committees in other companies, along with details of the attendance at Board Meetings and the Annual General Meeting (“AGM”), respectively.

The number of Directorships, Committee Memberships / Chairpersonships of all Directors is within respective limits prescribed under the Act and SEBI LODR Regulations.

## BOARD MEETINGS

The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the AGM. Additional meetings are held whenever necessary. The agenda and the explanatory notes are circulated

in advance to the Directors. Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. Since the Board of IDFC includes Directors from various parts of the world, it may not be possible for each of them to be physically present at all the meetings, hence the Company makes use of video conferencing facility and other audio-visual means, whenever necessary, to enable larger participation of Directors in the meetings. Members of the Senior Management are invited to attend the Board Meetings to make presentations and provide additional inputs to the items under discussion. The Minutes of Board Meetings of subsidiary companies of IDFC are presented at the Company’s Board Meetings. A statement of all significant transactions and arrangements entered into by the subsidiary companies is also placed before the Board. All the recommendations made by the Audit Committee during the year were accepted by the Board.

During FY19, the Board met 7 (seven) times and the intervening period between two Board Meetings was well within the limit prescribed. The requisite quorum was present during all the meetings of the Board of Directors. The annual calendar of meetings is broadly determined at the beginning of each year. The Board Meetings were held on April 27, 2018; July 30, 2018; October 30, 2018; December 07, 2018; December 17, 2018; January 24, 2019 and February 09, 2019. Leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings.

## INFORMATION PROVIDED TO THE BOARD

The Board agenda is prepared by the Company Secretary of the Company in consultation with the Chairman and MD & CEO of the Company. Meetings are governed by a structured agenda. The Board agenda and notes thereof are

NAME & CATEGORY OF THE DIRECTOR	NO OF BOARD MEETINGS HELD DURING TENURE AND ATTENDED IN FY19	WHETHER ATTENDED LAST AGM ON JULY 31, 2018	NO OF DIRECTORSHIP OF PUBLIC COMPANIES (INCLUDING IDFC) <sup>1</sup>	MEMBERSHIP, INCLUDING CHAIRMANSHIP OF COMMITTEES (INCLUDING IDFC) <sup>2</sup>
<b>Independent Directors</b>				
Mr. Vinod Rai (Independent Non-Executive Chairman)	7/7	YES	5	2
Mr. S. S. Kohli <sup>3</sup>	7/7	YES	9	6 (including 2 Chairmanship)
Ms. Marianne Økland <sup>3</sup>	7/7	YES	2	2 (including 1 Chairmanship)
Mr. Gautam Kaji <sup>4</sup>	2/2	YES	N.A.	N.A.
Mr. Donald Peck <sup>4</sup>	1/2	NO	N.A.	N.A.
<b>Government Nominee Directors</b>				
Mr. Manish Kumar <sup>5</sup>	0/1	N.A.	N.A.	N.A.
Mr. Anshuman Sharma <sup>6</sup>	2/5	N.A.	3	2
Mr. Soumyajit Ghosh	4/7	NO	1	1
<b>Nominee of Domestic and Foreign Institutional Shareholders</b>				
Mr. Chintamani Bhagat	7/7	YES	2	2 (including 1 Chairmanship)
<b>Managing Director &amp; Chief Executive Officer</b>				
Mr. Sunil Kakar	7/7	YES	8	5

1. Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

2. Includes only Audit Committee and Stakeholders' Relationship Committee.

3. Will cease to be Independent Directors on the completion of ensuing AGM

4. Ceased to be Independent Directors w.e.f. July 31, 2018

5. Ceased to be Nominee Director w.e.f. June 11, 2018.

6. Appointed as an Additional Director in the category of Nominee Director w.e.f. August 08, 2018.

backed by comprehensive background information to enable the Board to take informed decisions and are sent to the Directors well in advance pursuant to the provisions of the Secretarial Standard - I and other applicable provisions of the Act and Rules made thereunder to enable them to peruse and comprehend the matters to be dealt with or seek further information / clarifications on the matter listed therein. The Board also passes resolutions by circulation on need basis, which are noted and confirmed in the subsequent Board Meeting.

The Board is presented with the information on financial results of the Company and its subsidiaries, various important matters of operations and business, annual operating plans, budgets, presentations of the subsidiary companies, minutes of the Audit and other Committees of the Board, appointment / cessation and remuneration of Senior Management and KMP, various policies adopted at IDFC and Group level, details of joint ventures or collaboration, if any, information on subsidiaries / associates,

sale of investment and assets which are material in nature and not in ordinary course of business, foreign exposure, compliances of all the laws applicable to IDFC and non-compliance, if any and steps taken to rectify instances of non-compliances and other matters which are required to be placed before the Board.

With a view to leverage technology and reduce paper consumption, the Company has adopted a web-based application for transmitting Board / Committee Agenda. The Directors of the Company receive the Agenda in electronic form through this application, which can be accessed through iPads or Browsers. The application meets high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda in electronic form.

### COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and help in delegating particular matters that require greater and more focused attention. The Board Committees

are set up as per the provisions of the Act and / or SEBI LODR Regulations or as per the requirement of the Company. However, every Committee is under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairperson of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of these Committees are placed before the Board for its review. The Committees ensure that any feedback or observations made by them during the course of meetings form part of the Action Taken Report for their review at the next meeting. All Committees comprises of requisite number of IDs as prescribed by the Act or SEBI LODR Regulation or any other regulatory authority. The Board Committees also request special invitees to join the meetings of the Committees, wherever appropriate. The Company

NAME OF THE MEMBER	AUDIT COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	RISK MANAGEMENT COMMITTEE	STAKEHOLDERS' RELATIONSHIP COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	INVESTMENT COMMITTEE
Mr. Vinod Rai	4/4	2/2	2/2	C 2/2 <sup>2</sup>	-	C 1/1
Mr. Gautam Kaji	C 2/2 <sup>1</sup>	1/1 <sup>1</sup>	1/1 <sup>1</sup>	-	-	-
Mr. S. S. Kohli	-	1/1 <sup>3</sup>	1/1 <sup>2</sup>	2/2 <sup>2</sup>	1/1	1/1
Mr. Donald Peck	-	C 1/1 <sup>1</sup>	-	-	1/1 <sup>1</sup>	-
Ms. Marianne Økland	C 4/4 <sup>4</sup>	C 1/1 <sup>4</sup>	C 2/2	1/1 <sup>3</sup>	-	-
Mr. Chintamani Bhagat	2/2 <sup>3</sup>	-	-	C 1/1 <sup>4</sup>	-	-
Mr. Sunil Kakar	-	-	1/1 <sup>2</sup>	2/2 <sup>2</sup>	C 1/1	1/1
Mr. Anshuman Sharma	-	-	0/1	-	0/0	-
Mr. Soumyajit Ghosh	-	-	-	1/1 <sup>3</sup>	-	-

1. Retired as an Independent Director w.e.f. July 31, 2018

2. Ceased to be a Member w.e.f. October 30, 2018

3. Appointed as a Member w.e.f. October 30, 2018

4. Appointed as a Chairperson w.e.f. October 30, 2018

Secretary officiates as the Secretary to all the Committee Meetings. The composition of various committees of the Board is in line with the applicable regulations and is hosted on the website of the Company: [www.idfc.com](http://www.idfc.com).

The Board has established the following statutory and non-statutory Committees.

- A. Audit Committee
- B. Nomination & Remuneration Committee
- C. Risk Management Committee
- D. Stakeholders' Relationship Committee
- E. Corporate Social Responsibility Committee
- F. Investment Committee
- G. IT Strategy Committee

Composition and Attendance of Directors at Committee Meeting(s) for FY19 are given in **Table 2**. Attendance is presented as number of meeting(s) attended (including meetings attended through electronic mode) out of the number of meeting(s) held during FY19.

## A. AUDIT COMMITTEE

The Audit Committee comprises of three Members, having majority of IDs. The Committee is chaired by Ms. Marianne Økland and has Mr. Vinod Rai and Mr. Chintamani Bhagat as its Members with any two Members forming the quorum.

The Committee met four times during FY19. The time gap between two consecutive meetings was less than one hundred and twenty days. The dates of the Meetings were April 27, 2018; July 30, 2018; October 30, 2018 and February 09, 2019.

The Chief Financial Officer, the

representatives of the Statutory Auditors and the Internal Auditors are generally invited to the Audit Committee Meetings. The Company Secretary of IDFC is the Secretary to the Audit Committee. The Minutes of the Audit Committee Meetings are circulated to the Members of the Board regularly and are taken note of. All Members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The role of the Audit Committee includes the following:

- a. Oversight of the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- b. Recommending to the Board, the appointment, remuneration and terms of appointment if required, of the Statutory Auditors & the Internal Auditors and the fixation of audit fees.
- c. Reviewing, with the Management, the annual financial statements and Auditors' Report before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements
- d. Review performance and financials of subsidiary companies, including Investments made by them.
- e. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- f. Reviewing the adequacy of internal audit carried out in the Company and wherever required, to review the scope, coverage and frequency of the internal audit and amend the same as per requirements.

g. The Audit Committee is also appraised on information with regard to related party transactions by being presented and having its views taken on. A statement in summary form of transactions with related parties in the ordinary course of business and carried out at arm's length basis.

- h. Scrutiny of inter-corporate loans and investments.
- i. Valuation of undertakings or assets of the company, wherever it is necessary
- j. Details of materially significant individual transactions with related parties which are not in the normal course of business.
- k. Details of materially significant individual transactions with related parties or others, which are not on an arm's length basis along with Management's justification for the same, if any.
- l. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- m. Evaluation of internal financial controls and risk management systems.
- n. Monitoring the end use of funds raised through public offers and related matters.
- o. To consider and review observations in RBI Inspection Report and appropriateness of management responses on the observations.
- p. Any other terms of reference as may be included from time to time in the Act, SEBI LODR Regulations, including any amendments / re-enactments thereof from time to time.

PARTICULARS	AMOUNT IN ₹
Fixed Remuneration for Member of the Board	700,000
Chairperson of the Board	700,000
Chairperson of the Audit Committee	200,000
Chairperson of Other Committees	100,000
Member of the Audit Committee	100,000
Member of Other Committees	50,000
Variable remuneration (Depending on attendance at Board Meetings)	300,000

## B. NOMINATION & REMUNERATION COMMITTEE

As of March 31, 2019, the Nomination & Remuneration Committee ("NRC") comprised of Ms. Marianne Økland as the Chairperson, Mr. Vinod Rai and Mr. S. S. Kohli as its Members, all of whom are IDs. The quorum of the meeting is any two Members. The Committee met two times during the year on April 27, 2018 and January 24, 2019.

The role of NRC includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Scrutinizing the nominations of the Directors with reference to their qualifications and experience, for identifying 'Fit and Proper' persons, assessing competency of the persons and reviewing compensation.
- Formulation of criteria for evaluation of performance of every Director and the Board as a whole.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal & shall carry out evaluation of every Director's performance.
- Administering the Employee Stock Option Plan of the Company and determining eligibility of employees for stock options.
- Any other terms of reference as may be included from time to time in the Act, SEBI LODR Regulations, including any amendments / re-enactments thereof from time to time.

## REMUNERATION POLICY

IDFC pays remuneration to the Executive Director ("ED") by way of salary, perquisites including retirement benefits (fixed component) and a variable component based on the recommendation of the NRC and approval of the Board and the Shareholders of the Company. The Company has a Board approved Remuneration policy in place which is hosted on the website of the Company www.idfc.com. The remuneration paid to ED is determined keeping in view the industry benchmark and the performance of the Company as well as performance of ED.

The NEDs are paid remuneration by way of commission and sitting fees. Commission is paid as per the limits approved by the Shareholders of the Company at the 21<sup>st</sup> AGM held on July 31, 2018. The Commission is distributed on the basis of attendance and contribution made at the Board and Committee Meetings as well as linked to Chairpersonship of the Committees.

The criteria for payment of commission to NEDs are given in **Table 3**. IDFC will pay a sum not exceeding ` 70 Lacs as commission to its NEDs for FY19. The said amount will be paid to the Directors, subject to deduction of tax, after the ensuing AGM. The Company has not granted any stock options to NEDs / IDs. As on March 31, 2019, none of the NEDs held any shares of the Company. **Table 4** gives details of remuneration paid to the Directors during FY19. The Company did not advance loans to any of its Directors during FY19. None of the Directors is entitled to severance fee and none of the NEDs held any stock options as at March 31, 2019. As per the current term of employment, the notice period of Mr. Sunil Kakar, MD & CEO is 3 months. None of the employees of the Company is related to any of the Directors of the Company.

## C. RISK MANAGEMENT COMMITTEE

As on March 31, 2019, Risk Management Committee ("RMC") comprises of three Members, with Ms. Marianne Økland as the Chairperson, Mr. Vinod Rai and Mr. Anshuman Sharma as its Members, with any two Members forming the quorum. The Committee met two times during the year on April 27, 2018 and October 30, 2018.

IDFC has in place mechanism to inform the Board about its risk assessment and risk mitigation procedures with periodical reviews to ensure that the Management controls risk through a Board-approved properly defined framework. This is done through its Board-level RMC and it monitors and reviews risk management of the Company on a regular basis. The RMC reviews and monitors mainly three types of risks across the organisation: credit risk, market risk and operational risk and takes note of the Legal & Regulatory updates for all the Non-Bank Entities. This is done under the overall framework of the Enterprise Risk Management System. The Chairperson of the Committee reports the findings / observations of the Committee to the Board.

## D. STAKEHOLDERS' RELATIONSHIP COMMITTEE

As on March 31, 2019, Stakeholders' Relationship Committee ("SRC") consists of three Directors - Mr. Chintamani Bhagat as the Chairman, Ms. Marianne Økland and Mr. Soumyajit Ghosh as its Members, with any two Members forming the quorum. The Committee met three times during the year on April 27, 2018; July 30, 2018 and October 30, 2018.

The Committee is empowered to handle Shareholders' and other investors' complaints and grievances. The SRC considers and resolves the grievances of the equity Shareholders of the Company, including complaints related to transfer

NAME OF THE DIRECTOR	DIN	SITTING FEES	CONTRIBUTION TO			PAID DURING FY19 TOTAL
			SALARY & PERQUISITES	PROVIDENT AND OTHER FUNDS	COMMISSION FOR FY18 PAID IN FY19	
Mr. Vinod Rai	00041867	8,50,000	-	-	22,00,000	30,50,000
Mr. S. S. Kohli	00169907	7,75,000	-	-	12,50,000	20,25,000
Ms. Marianne Økland	03581266	7,25,000	-	-	12,00,000	19,25,000
Mr. Chintamani Bhagat	07282200	6,00,000	-	-	9,62,500	15,62,500
Mr. Manish Kumar <sup>1</sup>	07379535	-	-	-	-	-
Mr. Anshuman Sharma <sup>2</sup>	07555065	-	-	-	-	-
Mr. Soumyajit Ghosh	07698741	-	-	-	-	-
Mr. Sunil Kakar	03055561	-	2,50,96,625	41,53,560	-	2,92,50,185
Mr. Gautam Kaji <sup>3</sup>	02333127	2,75,000	-	-	13,00,000	15,75,000
Mr. Donald Peck <sup>3</sup>	00140734	1,50,000	-	-	11,62,500	13,12,500

<sup>1</sup> Ceased to be Nominee Director w.e.f. June 11, 2018.

<sup>2</sup> Appointed as an Additional Director in the category of Nominee Director w.e.f. August 08, 2018

<sup>3</sup> Retired as an Independent Director w.e.f. July 31, 2018

of equity shares, non-receipt of annual report, non-receipt of declared dividends, etc. Additionally, it is responsible to perform any other function as stipulated by the Act, Reserve Bank of India, SEBI, Stock Exchanges and any other regulatory authority or under any applicable laws, as amended from time to time.

Additionally, Allotment and Share Transfer Committee ("ASTC") comprising of Mr. Vinod Rai, Mr. Sunil Kakar and Mr. Mahendra N Shah looks into share allotment, transfer, transmission, name deletion, transposition, rematerialisation and related applications received from Shareholders, with a view to accelerate the transfer procedures. Mr. Mahendra N Shah, being appointed as a Company Secretary, was inducted as a Member of the ASTC w.e.f. May 24, 2019. The quorum for any meeting of this Committee is two Members.

Mr. Mahendra N Shah, the Company Secretary is designated as the Compliance Officer in terms of the SEBI LODR Regulations whose designated e-mail address for investor complaints is mahendra.shah@idfc.com. All complaints received during the year have been redressed to the satisfaction of the Shareholders and none of them were pending as at the end of FY19. Details of queries and grievances received and attended by the Company during FY19 are given in **Table 5**.

## E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on March 31, 2019, the Corporate Social Responsibility ("CSR") Committee consists

of three Directors, Mr. Sunil Kakar as the Chairman, Mr. S. S. Kohli and Mr. Anshuman Sharma as its Members. Mr. Sharma was inducted as a Member of the CSR Committee w.e.f. October 30, 2018, in view of the resignation of Mr. Donald Peck. The quorum of the meeting is two Members.

During the year one meeting was held on April 27, 2018.

The purpose of the Committee is to formulate and monitor the CSR policy of the Company which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and recommend the amount of expenditure to be incurred on these activities. A copy of the said CSR policy is placed on the website of the Company: www.idfc.com. Details of the CSR contribution made by IDFC during the year are given as **Annexure 5** to the Board's Report.

## F. INVESTMENT COMMITTEE

As on March 31, 2019, the Investment Committee ("IC") consists of three Members, namely Mr. Vinod Rai as the Chairman, Mr. S. S. Kohli and Mr. Sunil Kakar as its Members. Post demerger, IDFC is registered with the RBI as an NBFC - Investment Company.

During the year one meeting was held on February 1, 2019. The broad mandate of IC is to take an informed decision about the proposed investments / divestments in equity, preference, convertible securities and VCF Units to be made by IDFC, having regard to factors like long-term value creation and / or business growth / diversification benefits.

## G. IT STRATEGY COMMITTEE

As per the provisions of RBI master direction RBI/DNBS/2016-17/53 DNBS. PPD.No.04/66.15.001/2016-17 dated June 8, 2017 pertaining to "Information Technology Framework for NBFC sector, during the year, IT Strategy Committee was constituted having Mr. S. S. Kohli as Independent Director & Chairman of the Committee and Mr. Sunil Kakar (MD & CEO), Mr. Bipin Gemani & Mr. Madhusudan Warrior as Members.

The Committee met three times during the year on April 27, 2018; July 30, 2018 and October 30, 2018.

The Board approved the Information Technology (IT) Strategy Document, Information Security Management System (ISMS) Policy, IT Policy, Cyber Security Policy and Cyber Crisis Management Plan on the recommendation of IT Strategy Committee.

Terms of reference of IT Strategy Committee includes:

- Approving IT strategy and policy documents for an effective strategic planning. IT strategy will be based on the NBFC Business strategy.
- Communicating and monitoring information technology strategy internally and externally so that all employees, partners, suppliers, and contractors understand the Company-wide strategic plan and how it carries out the company's overall goals.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.
- Ensuring IT investments are in line with business requirements, accepted

SR. NO.	NATURE OF COMPLAINT	PENDING AS ON APRIL 1, 2018	RECEIVED DURING THE YEAR	ANSWERED DURING THE YEAR	PENDING AS ON MARCH 31, 2019
1.	Non-receipt of Dividend warrants	NIL	339	322	17*
2.	Non-receipt of Annual Report	NIL	73	73	NIL
3.	Complaints received from:				
	- SEBI	NIL	5	5	NIL
	- Stock Exchange	NIL	1	1	NIL
4.	Non-receipt of Refund	NIL	7	7	NIL
5.	Non-receipt of Electronic Credit(s)	NIL	NIL	NIL	NIL
6.	Non-receipt of Securities	NIL	3	3	NIL

\* 17 complaints were received during last week of the financial year. The same were pending as on March 31, 2019. However, these complaints were resolved within the stipulated time period.

IT Security standards within agreed budgets.

- e. Review of IT team strength, IT outsourced activities and guide in resource mobilizing for executing strategies.
- f. Ensuring that proper controls exist towards IT risks giving a balance of risks and benefits.
- g. Driving technology decision-making that creates medium- and long-term improvement.
- h. Reviewing key strategic priorities and translating them into a comprehensive strategic plan for technology initiatives.
- i. Monitoring the execution of the IT policy, ISMS policy, BCP policy, DR policy, IT Outsourcing policy.
- j. IT Budgets review and approval
- k. IT projects review and approve delivery schedules.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS

The IDs of the Company met on April 27, 2018 without the presence of the Non-Independent Directors and senior management team of the Company.

All IDs attended the Meeting and discussed the matters as required under the relevant provisions of the Act and the SEBI LODR Regulations.

In addition to the said formal Meeting, interactions outside the Board Meetings also take place between the Chairman and IDs.

### BOARD EVALUATION

The Act and SEBI LODR Regulations contain broad provisions on Board Evaluation i.e. evaluation of the performance of:

- (i) the Board as a whole,
- (ii) individual Directors (including ID and Chairman) and
- (iii) various Committees of the Board. The

provisions also specify responsibilities of Directors / Committees for conducting such evaluation.

SEBI, vide its circular dated January 5, 2017 had provided a guidance note covering all major aspects of evaluation which would serve as a guide for listed entities and may be adopted by them if considered appropriate.

Accordingly, detailed questionnaires were prepared and circulated to the Board for Annual evaluation. The outcome / responses of the evaluation process was presented and discussed verbally with the Directors present at the meeting.

### FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations were made at the Board Meetings, on business and performance updates of the Company and its subsidiaries, global business environment, business strategy and associated risks, roles, rights and responsibilities of IDs. Details of the same are given on the website of the Company: [www.idfc.com](http://www.idfc.com).

### CODE OF CONDUCT

Code of Conduct for all Directors and designated Senior Management Personnel ("SMP")["Code"] is in place and the said Code is available on the website of the Company: [www.idfc.com](http://www.idfc.com). All Board Members and designated SMPs have affirmed their compliance with the Code. A declaration to this effect duly signed by the MD & CEO is enclosed at the end of this chapter. Further, all IDs have confirmed that they meet the criteria of Independence mentioned under Regulation 16(1)(b) of SEBI LODR Regulations, read with Sections 149(6) and 149(7) of the Act.

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code lays down guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company, as well as the consequences of violation. The Code has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company's securities. The said Code of Conduct for Prohibition of Insider Trading is also available on the website of the Company: [www.idfc.com](http://www.idfc.com).

### APPOINTMENT / REAPPOINTMENT / RESIGNATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL ("KMPs")

During the year, following changes took place in the position of the Director / KMP:

1. Mr. Manish Kumar resigned as Nominee Director of Government of India, Ministry of Finance w.e.f. from June 11, 2018;
2. Reappointment of Mr. Vinod Rai as an Independent Director of the Company for a period of 3 (three) years, from July 31, 2018 to July 30, 2021;
3. Mr. Gautam Kaji and Mr. Donald Peck completed their respective 2<sup>nd</sup> term and were retired as an Independent Directors of the Company w.e.f. July 31, 2018;
4. Appointment of Mr. Anshuman Sharma as an Additional Director in the category of Nominee Director of Government of India, Ministry of Finance;
5. Appointment of Ms. Rinkoo Somani as interim Chief Financial Officer of the Company w.e.f. July 10, 2018;

FINANCIAL YEAR	LOCATION OF THE MEETING	DATE	TIME	SPECIAL RESOLUTIONS PASSED WITH REQUISITE MAJORITY
FY16	The Music Academy, T.T.K. Auditorium (Main Hall), Near Acropolis Building New No. 168, (Old No. 306), T.T.K. Road, Royapettah, Chennai 600 014.	July 27, 2016	2.00 p.m.	i. Reappointment of Mr. Donald Peck as an Independent Director; ii. Approval of the Borrowing Limits of the Company including Issue of Non-Convertible Securities under Private Placement.
FY17	The Music Academy, T.T.K. Auditorium (Main Hall), Near Acropolis Building New No. 168, (Old No. 306), T.T.K. Road, Royapettah, Chennai 600 014.	July 28, 2017	2.00 p.m.	i. Reappointment of Mr. S. S. Kohli as an Independent Director of the Company; ii. Reappointment of Ms. Marianne Økland as an Independent Director of the Company; iii. Offer and Issue of Non-Convertible Securities through Private Placement.
FY18	Sir Mutha Venkatasubba Rao Concert Hall (Inside Lady Andal School Premises), Shenstone Park, # 13/1 Harrington Road, Chetpet, Chennai - 600 031.	July 31, 2018	2.00 p.m.	i. Reappointment of Mr. Vinod Rai as an Independent Director of the Company ii. Offer and Issue of Non-Convertible Securities through Private Placement. iii. Alteration of Articles of Association

6. Appointment of Mr. Bipin Gemani as Chief Financial Officer of the Company w.e.f. December 19, 2018, in view of resignation of Ms. Rinkoo Somani w.e.f. December 17, 2018;
7. Appointment of Mr. Nirav Shah as the Company Secretary & Compliance Officer of the Company w.e.f. December 18, 2018, in view of the resignation of Mr. Amol Ranade as Company Secretary & Compliance Officer w.e.f. December 17, 2018.
- Further, Mr. Mahendra N Shah was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. May 24, 2019, in view of the resignation of Mr. Nirav Shah as Company Secretary & Compliance Officer w.e.f. May 23, 2019. The Board places on record its sincere appreciation for the services rendered by the outgoing Directors and KMPs during their tenure in the Company.

The details of skills / expertise / competency of Directors are hosted on the website of the Company : [www.idfc.com](http://www.idfc.com).

## CEO & CFO CERTIFICATION

Certification from the MD & CEO and CFO on the financial statements and internal controls relating to financial reporting for FY19 is enclosed at the end of this chapter.

## GENERAL BODY MEETINGS ANNUAL AND EXTRA-ORDINARY GENERAL MEETINGS OF SHAREHOLDERS

**Table 6** gives details of AGMs held during last three years. No Extra-Ordinary General Meeting was held during the last three financial years.

## Shareholders' Update

Special Resolutions sought to be passed at the ensuing AGM:

IDFC seeks the approval of Shareholders of the Company by way of Special Resolution for Offer and Issue of Non-Convertible Securities through Private Placement basis.

Detailed explanatory statement pursuant to Section 102 of the Act in respect of the above items forms part of the AGM Notice.

## Means of communication with Shareholders

As per Regulation 46 of SEBI LODR Regulations, IDFC maintains a website: [www.idfc.com](http://www.idfc.com) containing basic information about the Company, such as details of its business, financial results, shareholding pattern, compliance with corporate governance, contact information of the designated official who is responsible for assisting and handling investor grievances. It also display all official press releases and presentation to institutional investors or analysts made by the Company. This information is regularly updated on the website of the Company.

The financial and other information filed by the Company from time to time is also available on the website of the Stock Exchanges i.e. NSE and BSE. NSE and BSE have introduced their respective electronic platforms namely NSE Electronic Application Processing System ("NEAPS") and BSE Listing Centre Online Portal for submission of various filings by listed companies. IDFC ensures that the requisite compliances are filed through these systems. The Company also informs to the

Stock Exchanges the schedule of Investor Conferences where representatives of IDFC attend. The quarterly, half-yearly and annual results of IDFC are published in leading newspapers like the Hindu Business Line & Makkal Kural and are also displayed on the website of the Company: [www.idfc.com](http://www.idfc.com).

## DISCLOSURES

### RELATED PARTY DISCLOSURES

During FY19, all transactions entered into with Related Parties, as defined under the Act and SEBI LODR Regulations, were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act. There were no materially significant related party transactions that could have any potential conflict of interest of the Company at large. Suitable disclosure as required by the Indian Accounting Standards (Ind-AS) has been made in the notes to the Financial Statements. All Related Party Transactions are placed before the Audit Committee for its review and approval on a quarterly basis. Further, an omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature and the management appraises the Audit Committee of such transactions every quarter. Further, the details of Related Party Transactions are included in the Notes to the Financial Statements which forms part of this Annual Report. The Board of Directors have formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to

the provisions of the Act and SEBI LODR Regulations.

The same are displayed on the website of the Company: [www.idfc.com](http://www.idfc.com).

### SUBSIDIARY COMPANIES

Regulation 16(1)(c) of SEBI LODR Regulations defines a material non listed Indian subsidiary as an unlisted subsidiary, incorporated in India, whose Income or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated Income or net worth, respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. By this definition, as of March 31, 2019, the Company has two material subsidiaries—IDFC Financial Holding Company Limited (Unlisted) and IDFC Asset Management Company Limited (Unlisted). Further, as per Regulation 24(1) Mr. Vinod Rai, ID of IDFC Limited, is a Director on the Board of IDFC Financial Holding Company Limited and IDFC Asset Management Company Limited. A Policy for determining 'material' subsidiaries is placed on the website of the Company: [www.idfc.com](http://www.idfc.com). The Audit Committee of IDFC reviews the financial statements of the subsidiary companies and the investments made by its subsidiaries. The minutes of the Board Meetings of the subsidiary companies are placed before the Board of IDFC at regular intervals. A statement of all significant transactions and arrangements entered into by the subsidiary companies, if any, is periodically placed before the Board of IDFC. The annual audited Financial Statements of the subsidiary companies are provided to the Audit Committee and Board of IDFC.

### CONFIRMATION OF COMPLIANCE

IDFC has complied with all the requirements of regulatory authorities. No penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory / regulatory authority(ies) on any matter related to capital market during the last three years.

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required under Schedule V of SEBI LODR Regulations, the Auditors' Certificate on Corporate Governance is annexed and forms part of the Annual Report.

Further, in terms of the provisions of the Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, M/s BNP & Associates, Company Secretaries has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI Regulations and circulars / guidelines issued thereunder. The said Report is appended as **Annexure 3B**.

### COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company did not enter into any Commodity transactions. Further, the Company did not have any foreign currency exposure.

### POSTAL BALLOT

The Company may seek to pass Special Resolution(s) in FY20 through Postal Ballot, as and when required, subject to applicable Act and Rules.

### VIGIL MECHANISM & WHISTLE BLOWER POLICY

Pursuant to provisions of Section 177(9) of the Act and Regulation 22 of SEBI LODR Regulations, the Company has established the Vigil Mechanism, by adopting Whistle Blower Policy, for the Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. It also provides adequate safeguards against the victimisation of employees who avail this mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee reviews the functioning of Whistle Blower Mechanism. The Whistle

Blower policy and establishment of Vigil Mechanism have been appropriately communicated within the Company and no personnel has been denied access to the Audit Committee. The said policy has been posted on the website of the Company: [www.idfc.com](http://www.idfc.com).

### INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its businesses, including adherence to the Company's policies, the safeguard of its assets, the prevention of frauds and errors, the accuracy and completeness of the accounting policies and the timely preparation of reliable financial disclosures.

### COMPLIANCE

The Company has adhered to all the mandatory requirements of Corporate Governance norms prescribed under Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI LODR Regulations to the extent applicable to the Company.

### STATUTORY AUDITORS

Total fees for all services rendered by the Statutory Auditors to the Company and its subsidiaries on consolidated basis were ₹ 1.38 crore.

### ADOPTION OF NON-MANDATORY REQUIREMENTS SEPARATE POSTS OF CHAIRPERSON AND CEO

The Company has complied with the requirement of having separate persons for the posts of Chairperson and MD & CEO. Mr. Vinod Rai is an Independent Non-Executive Chairman and Mr. Sunil Kakar is MD & CEO of the Company.

### AUDIT QUALIFICATION

During the year under review, there were no audit qualifications in the Company's Standalone financial statements. Qualifications in the Consolidated Auditors' Report are mentioned on page no. 105.

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## IDFC'S STOCK EXCHANGE CODE FOR EQUITY SHARES

NAME & ADDRESS OF THE STOCK EXCHANGE	STOCK SYMBOL / SCRIP CODE
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	IDFC
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532659
ISIN	INE043D01016



# ANNUAL GENERAL MEETING

## DATE & TIME

**MONDAY,  
SEPTEMBER 30, 2019  
AT 11.30 A.M.**

## VENUE

### THE MUSIC ACADEMY

T.T.K Auditorium (Main Hall),  
Near Acropolis Building,  
New No. 168 (Old No. 306),  
T.T.K. Road, Royapettah,  
Chennai - 600 014,  
Tamil Nadu, India.

## REPORTING OF INTERNAL AUDITORS

The Internal Auditors present their reports directly to the Audit Committee of the Company. The Company has appointed M/s Grant Thornton India LLP (having registration number AAA-7677) as Internal Auditors of the Company for FY20.

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34(2)(e) of SEBI LODR Regulations, the Annual Report has a separate chapter titled Management Discussion & Analysis.

## DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) to comply with the Accounting Standards as specified under Section 133 of the Act. The financial statements have been prepared on the accrual basis under the historical cost convention.

## ANTI-MONEY LAUNDERING AND KNOW YOUR CUSTOMER POLICY

In keeping with specific requirements for a Non-Banking Financial Company, the Company has formulated an Anti-Money Laundering and Know Your Customer Policy.

## GENERAL SHAREHOLDER INFORMATION

### FINANCIAL CALENDAR

**Financial Year - April 1, 2018 to March 31, 2019**

For the year ended March 31, 2019, results were announced on

- July 30, 2018 for the first quarter.
- October 30, 2018 for the second quarter and half year.
- February 09, 2019 for the third quarter

and nine months.

- May 24, 2019 for Standalone Results for the fourth quarter and annual.
- May 29, 2019 for Consolidated Results for the fourth quarter and annual.

For the year ending March 31, 2020, results were / will be announced latest by:

- August 14, 2019 for the first quarter.
- Second week of November, 2019 for the second quarter and half year.
- Second week of February, 2020 for the third quarter and nine months.
- Last week of May, 2020 for the fourth quarter and annual.

## IDFC'S LISTING AND STOCK EXCHANGE CODES

At present, the equity shares of IDFC are listed on BSE and NSE details whereof are given in **Table 7**. The annual listing fees for FY20 have been paid.

## STOCK PRICES

**Table 8** gives details of the stock market prices of IDFC's shares. A comparison of the share prices of the Company at NSE and BSE with their respective indices are given in Chart A and Chart B.

## DISTRIBUTION OF SHAREHOLDING

The distribution of the shareholding of IDFC's equity shares by size and shareholding pattern by ownership along with Top 10 equity Shareholders of the Company as on March 31, 2019 are given in **Table 9**, **Table 10** and **Table 11**, respectively.

## DEMATERIALIZATION OF SHARES

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India NSDL and CDSL. As on March 31, 2019, approximately 99.99% shares of IDFC were held in dematerialised form. The details of the same are given in

## Table 12.

### OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company does not have outstanding GDRs / ADRs / Warrants or any Convertible Instruments as on date.

## UNCLAIMED / UNPAID DIVIDEND

Pursuant to the provisions of Sections 124 and 125 of the Act, any dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to Investor Education and Protection Fund ("IEPF") established by the Central Government.

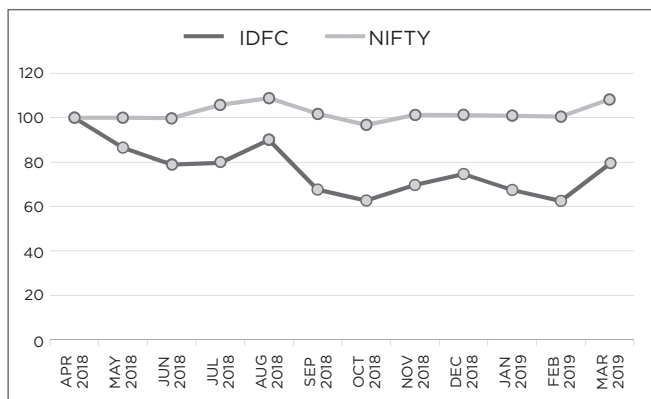
Accordingly, an amount of ₹ 31,65,178 being unclaimed / unpaid dividend for FY11 and which remained unpaid / unclaimed for a period of 7 years has been transferred by the Company to the IEPF. Further, for FY12, the last date for claiming unclaimed / unpaid dividend was August 12, 2019. The Company is in process of transferring ₹ 40,08,136 being unclaimed / unpaid dividend for FY12 and which remained unpaid / unclaimed for a period of 7 years to IEPF.

The unpaid dividend amount pertaining to FY13 will be transferred to IEPF after August 29, 2020. Hence, Shareholders who have not yet en-cashed their dividend warrant(s) pertaining to dividend for FY13 are requested to make their claims on or before August 29, 2020 to the Company or Karvy Fintech Private Limited the Registrar and Transfer Agent of the Company.

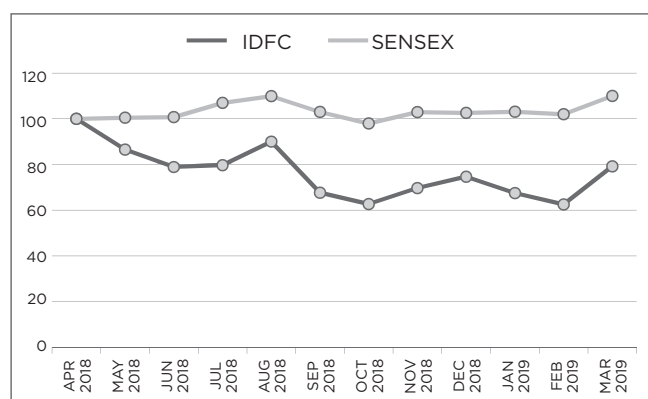
Pursuant to the applicable provisions of the Act and Rules made thereunder, as amended from time to time, it is clarified that after such a transfer, no claim shall lie against the Company. However, the investor can claim the unpaid dividend from the IEPF Authority.

The status of Dividend remaining unclaimed is given in **Table 13**.

**CHART A IDFC V/S NIFTY IN PERCENTAGE**



**CHART B IDFC V/S SENSEX IN PERCENTAGE**



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**HIGH, LOW AND VOLUMES OF IDFC'S EQUITY SHARES**

MONTH	BSE			NSE		
	HIGH PRICE	LOW PRICE	TURNOVER	HIGH PRICE	LOW PRICE	TURNOVER
Apr-18	60.15	48.90	9,888,424	60.50	48.85	105,629,543
May-18	59.15	49.05	6,350,085	59.20	49.00	82,746,340
Jun-18	51.45	44.40	4,258,662	51.60	44.25	129,910,735
Jul-18	49.35	42.90	6,636,173	49.40	42.90	95,156,318
Aug-18	53.45	45.35	7,676,257	53.55	45.25	97,535,237
Sep-18	53.30	39.15	5,862,951	53.30	39.10	78,064,891
Oct-18	42.10	34.30	7,916,067	42.25	34.25	76,888,877
Nov-18	42.25	36.30	5,589,566	42.30	36.25	58,737,556
Dec-18	44.90	36.60	8,341,867	44.95	36.50	66,500,061
Jan-19	45.40	38.25	6,543,073	45.45	38.20	75,302,749
Feb-19	39.85	34.50	5,652,663	39.85	31.60	94,745,984
Mar-19	48.05	37.00	9,333,771	48.10	36.85	142,314,662

Note: High and Low are in rupees per traded share. Volume is the total monthly volume of trade in number of IDFC's shares.

Pursuant to the provisions of IEPF Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 31, 2018 (date of last AGM) on the Company's website: [www.idfc.com](http://www.idfc.com) and on MCA website.

**TRANSFER OF SHARES TO IEPF**

Pursuant to the applicable provisions of Section 124(6) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and subsequent modification thereof, all shares in respect of which dividend have remained unpaid

or unclaimed for consecutive seven years; the corresponding shares have to be transferred to IEPF Authority. During the year, in compliance with the aforesaid provisions, the Company has transferred 49,639 equity shares of ₹ 10 each to the designated account of the IEPF Authority.

The Company is in process of transferring requisite shares of shareholders, who have not transferred their dividend for consecutive seven years from FY12, to IEPF Authority.

As required under the said provisions, all subsequent corporate benefits that will be accrued in relation to the above shares shall also be credited to the corresponding Bank account of IEPF Authority. The details of such shares transferred to IEPF are available on website of the Company

at [http://www.idfc.com/investor\\_relations/UnclaimedShares.htm](http://www.idfc.com/investor_relations/UnclaimedShares.htm).

Further, as per the terms of Section 124(6) of the Act and Rule 7 of the IEPF Rules, the Shareholders can claim the shares from IEPF Account by making an online application in Form IEPF - 5 which is available at <http://www.iepf.gov.in>.

The Company had already sent communication to the Shareholders requesting them to claim the dividend, in order to avoid their shares getting transferred to IEPF. Accordingly, Shareholders who have not claimed the dividend since FY13, are requested to contact Karvy Fintech Private Limited and submit requisite documents, failing which the Company will be constrained to transfer the shares to IEPF Authority as per the Rules.

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## IDFC'S DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

SL NO	CATEGORY (SHARES)	NO. OF HOLDERS	% TO HOLDERS	NO. OF SHARES	% TO EQUITY
1	1 - 5000	414,378	98.41	143,836,228	9.01
2	5001 - 10000	3,408	0.81	25,433,285	1.59
3	10001 - 20000	1,609	0.38	23,236,022	1.46
4	20001 - 30000	506	0.12	12,637,546	0.79
5	30001 - 40000	224	0.05	7,880,431	0.49
6	40001 - 50000	156	0.04	7,221,590	0.45
7	50001 - 100000	330	0.08	24,356,673	1.53
8	100001 and above	482	0.11	1,351,756,541	84.68
	<b>TOTAL</b>	<b>421,093</b>	<b>100.00</b>	<b>1,596,358,316</b>	<b>100.00</b>

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## IDFC'S EQUITY SHAREHOLDING PATTERN AS ON MARCH 31, 2019

SL NO	DESCRIPTION	NO. OF HOLDERS	TOTAL SHARES	% EQUITY
1	PRESIDENT OF INDIA	1	261,400,000	16.37
2	BANKS, INDIAN FINANCIAL INSTITUTIONS ,INSURANCE COMPANIES	53	70,662,090	4.43
3	FOREIGN INSTITUTIONAL INVESTORS /FOREIGN PORTFOLIO - CORP	138	561,682,950	35.19
4	NRI/FOREIGN NATIONALS	5,576	16,942,455	1.06
5	H U F	10,949	14,646,308	0.92
6	BODIES CORPORATES	2,440	96,202,861	6.03
7	MUTUAL FUNDS	49	187,002,065	11.71
8	NBFC	21	863,179	0.05
9	RESIDENT INDIVIDUALS	401,585	366,484,337	22.95
10	TRUSTS	31	17,171,425	1.08
11	CLEARING MEMBERS	250	3,300,646	0.21
	<b>TOTAL</b>	<b>421,093</b>	<b>1,596,358,316</b>	<b>100.00</b>

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## TOP 10 SHAREHOLDERS OF THE COMPANY AS ON MARCH 31, 2019

SL NO	DPID	FOLIO/ CL-ID	NAME/JOINT NAME(S)	HOLDING	% TO EQT	MINOR CODE
1	IN302437	20095610	PRESIDENT OF INDIA	261,400,000	16.37	POI
2	IN300054	10051286	SIPADAN INVESTMENTS (MAURITIUS) LIMITED	151,145,989	9.47	FPC
3	IN300142	10754198	THELEME MASTER FUND LIMITED	79,475,433	4.98	FPC
4	IN300054	10022362	ORBIS SICAV EMERGING MARKETS EQUITY FUND	74,739,371	4.68	FPC
5	IN301549	16191396	ASHISH DHAWAN	56,000,000	3.51	PUB
6	IN303173	20006339	EAST BRIDGE CAPITAL MASTER FUND LIMITED	39,641,081	2.48	FPC
7	IN300126	11218380	ICICI PRUDENTIAL EQUITY & DEBT FUND	30,074,941	1.88	MUT
8	IN300476	40314385	AKASH BHANSHALI	267,50,921	1.68	PUB
9	IN300054	10066245	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE FRONTLINE EQUITY FUND	26,596,791	1.67	MUT
10	IN300142	10614532	PLATINUM ASIA FUND	22823564	1.43	FII
			<b>TOTAL</b>	<b>768648091</b>	<b>48.15</b>	

## UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT

IDFC had credited the unclaimed shares lying in the escrow account, allotted in the Initial Public Offer of the Company during July-August, 2005, into a Demat Suspense Account opened specifically for this purpose. These shares were transferred to IEPF Authority as per the IEPF Rules. Details of shares which were lying in the 'Unclaimed Suspense Account' are given in **Table 14**. Further, as per the terms of Section 124(6) of the Act and Rule 7 of the IEPF Rules, the Shareholders can claim the shares from IEPF Account by making an online application in Form IEPF - 5 which is available at <http://www.iepf.gov.in>.

## SHARE TRANSFER SYSTEM

IDFC has appointed Karvy Fintech Private Limited ("Karvy") as its Registrar and Transfer Agent. All share transfer and related operations are conducted by Karvy, which is registered with the SEBI as a Category 1 Registrar. The shares sent for physical transfer are effected after giving a 15 day's notice to the seller for confirmation of the sale. IDFC has a Stakeholders' Relationship Committee for monitoring redressing of Shareholders' complaints regarding securities issued by IDFC from time to time.

As required under Regulation 40(9) of SEBI LODR Regulations, a Practising Company Secretary examines the records relating to Share Transfer Deeds, Registers and other related documents on a half-yearly basis and has certified compliance with the provisions of the above Regulations.

As required by SEBI, audit of Reconciliation of Share Capital is conducted by a Practising Company Secretary on a quarterly basis for the purpose, inter alia, of reconciliation of the total admitted equity share capital with the depositories and in physical form with the total issued / paid-up equity share capital of the Company. Certificates issued in this regard are forwarded to BSE and NSE on periodic basis.

## INVESTOR CORRESPONDENCE SHOULD BE ADDRESSED TO RTA

Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited) (Unit: IDFC Limited)  
Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally  
Hyderabad - 500 032  
Tel: +91 40- 6716 2222  
Fax: +91 40- 2342 0814  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

12 DEMATERIALISATION OF SHARES AS ON MARCH 31, 2019		
CATEGORY	NO. OF SHARES	%
Physical	10,888	β*
NSDL	1,497,962,088	93.84
CDSL	98,385,340	6.16
<b>TOTAL</b>	<b>1,596,358,316</b>	<b>100.00</b>

\* β denotes negligible value.

13 STATUS OF UNCLAIMED DIVIDEND AS ON MARCH 31, 2019			
PARTICULARS	UNCLAIMED DIVIDEND (₹)	DATE OF DECLARATION OF THE DIVIDEND	LAST DATE FOR CLAIMING DIVIDEND
2011-12	4,722,092.00	July 9, 2012	August 12, 2019
2012-13	4,099,522.00	July 29, 2013	August 29, 2020
2013-14	4,791,450.00	July 29, 2014	September 2, 2021
2014-15	4,290,190.00	July 30, 2015	September 3, 2022
2015-16 <sup>1</sup>	-	-	-
2016-17	908,340.50	July 28, 2017	August 29, 2024
2017-18	2,472,846.75	July 31, 2018	September 1, 2025

<sup>1</sup> Dividend was not declared for FY 2015-16

14 UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT		
PARTICULARS	NO. OF CASES/ MEMBERS	NO. OF SHARES OF ₹ 10 EACH
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	5	1,397
Number of Shareholders who approached to IDFC / Registrar for transfer of shares from suspense account during the year 2018-19	NIL	NIL
Number of Shareholders to whom shares were transferred from suspense account during the year 2018-19	NIL	NIL
Shares Transferred to IEPF Pursuant to the IEPF Rules	NIL	NIL
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2019	5	1,397

## THE COMPANY SECRETARY

Mr. Mahendra N Shah  
IDFC Limited  
Naman Chambers, C-32, G Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 051  
Tel: +91 22 4222 2016  
Fax: +91 22 2421 5052  
E-mail: [mahendra.shah@idfc.com](mailto:mahendra.shah@idfc.com)  
Website: [www.idfc.com](http://www.idfc.com)

## REGISTERED OFFICE ADDRESS

IDFC Limited  
KRM Towers, 7th Floor,  
No. 1, Harrington Road,  
Chetpet, Chennai - 600 031  
Tel: +91 44 4564 4201/4202/4223  
Fax: +91 44 4564 4222