



# 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, 2020, IDFC’s Board consisted of 6 Directors, comprising of (i) Three IDs, including an Independent Non-Executive Chairman; (ii) A Managing Director & Chief Executive Officer (“MD & CEO”); and (iii) Two Nominee Directors representing the Government of India (“GoI”). 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 FY20 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.

The details of the skills/experience/

expertise of the Directors are being given at the end of this report.

## BOARD MEETINGS

The Board meets at least once a quarter to review the quarterly results and other items on the agenda. 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 periodically tabled 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 FY20, the Board met 6 (six) 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 May 24, 2019; May 29, 2019; August 14, 2019;

NAME & CATEGORY OF THE DIRECTOR	NO OF BOARD MEETINGS HELD DURING TENURE AND ATTENDED IN FY20	WHETHER ATTENDED LAST AGM ON SEPT. 30, 2019	DIRECTORSHIP OF PUBLIC COMPANIES (INCLUDING IDFC) <sup>1</sup>	MEMBERSHIP, INCLUDING CHAIRMANSHIP OF COMMITTEES (INCLUDING IDFC) <sup>2</sup>	DIRECTORSHIP IN THE LISTED COMPANY
<b>Independent Directors</b>					
Mr. Vinod Rai (Independent Non-Executive Chairman)	6/6	YES	5	5 (including 3 chairmanship)	1. IDFC Limited 2. APOLLO TYRES LIMITED
Mr. S. S. Kohli <sup>3</sup>	3/4	NO	N.A.	N.A.	N.A.
Ms. Marianne Økland <sup>3</sup>	4/4	YES	N.A.	N.A.	N.A.
Mr. Ajay Sondhi <sup>6</sup>	2/2	NO	1	1	1. IDFC Limited
Ms. Ritu Anand <sup>5</sup>	3/3	YES	2	3 (including 1 chairmanship)	1. IDFC Limited
<b>Government Nominee Directors</b>					
Mr. Anshuman Sharma	3/6	NO	3	3	1. IDFC Limited
Mr. Soumyajit Ghosh	3/6	NO	1	1	1. IDFC Limited
<b>Nominee of Domestic and Foreign Institutional Shareholders</b>					
Mr. Chintamani Bhagat <sup>4</sup>	3/4	NO	N.A.	N.A.	N.A.
<b>Managing Director &amp; Chief Executive Officer</b>					
Mr. Sunil Kakar	6/6	YES	7	4	1. IDFC FIRST Bank Limited 2. IDFC Limited

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

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

3. Retired as an Independent Directors w.e.f. September 30, 2019

4. Ceased to be Nominee Director w.e.f. September 30, 2019.

5. Appointed as an Additional Director in the category of Independent Director w.e.f. August 16, 2019.

6. Appointed as an Additional Director in the category of Independent Director w.e.f. November 08, 2019

September 30, 2019; November 08, 2019; and February 06, 2020. 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 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, 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.

## 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

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	4/4	C 1/1 <sup>1</sup>	C 0/0 <sup>1</sup>	0/0 <sup>2</sup>	C3/3
Mr. Ajay Sondhi	1/1 <sup>3</sup>	1/1 <sup>4</sup>	-	-	-	0/0 <sup>3</sup>
Mr. S S Kohli	-	2/2 <sup>5</sup>	-	-	1/1 <sup>5</sup>	3/3 <sup>5</sup>
Ms. Ritu Anand	C 2/2 <sup>1</sup>	C 1/1 <sup>1</sup>	0/0 <sup>2</sup>	0/0 <sup>2</sup>	-	0/0 <sup>2</sup>
Ms. Marianne Økland	C 2/2 <sup>5</sup>	C 2/2 <sup>5</sup>	C 1/1 <sup>5</sup>	1/1 <sup>5</sup>	-	-
Mr. Chintamani Bhagat	1/2 <sup>6</sup>	-	-	C 1/1 <sup>6</sup>	-	-
Mr. Sunil Kakar	-	-	-	-	C 1/1	3/3
Mr. Anshuman Sharma	0/2 <sup>2</sup>	-	1/1	-	1/1	-
Mr. Soumyajit Ghosh	-	0/2 <sup>2</sup>	-	1/1	-	-

1. Appointed as a Chairperson w.e.f. September 30, 2019
2. Appointed as a Member w.e.f. September 30, 2019
3. Appointed as a Member w.e.f. November 08, 2019
4. Appointed as a Chairperson w.e.f. November 08, 2019
5. Retired as an Independent Director w.e.f. September 30, 2019
6. Ceased to be Nominee Director w.e.f. September 30, 2019

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 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 FY20 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 FY20.

## A. AUDIT COMMITTEE

During the year, the Audit Committee was re-constituted on November 08, 2019. The Audit Committee comprises

of four Members, having majority of IDs. The Committee is chaired by Ms. Ritu Anand and has Mr. Vinod Rai, Mr. Ajay Sondhi and Mr. Anshuman Sharma as its Members with any two Members forming the quorum.

The Committee met four times during FY20. The time gap between two consecutive meetings was less than one hundred and twenty days. The dates of the Meetings were May 24, 2019; August 14, 2019; November 08, 2019 and February 06, 2020.

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

PARTICULARS	AMOUNT IN RS.
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

- 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. 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.

## B. NOMINATION & REMUNERATION COMMITTEE

During the year, the Nomination & Remuneration Committee ("NRC") was re-constituted on November 08, 2019. As on March 31, 2020, the Nomination & Remuneration Committee ("NRC") comprised of Mr. Ajay Sondhi as the Chairman, Mr. Vinod Rai and Mr. Soumyajit Ghosh as its Members. Two out of three members of the Committee are IDs. The quorum of the meeting is any two Members. The Committee met four times during the year on May 24, 2019, August 14, 2019, November 08, 2019 and February 06, 2020.

The role of NRC includes the following:

- a. 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.
- b. 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.
- c. Formulation of criteria for evaluation of performance of every Director and the Board as a whole.
- d. Devising a policy on Board diversity.
- e. 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.
- f. Administering the Employee Stock Option Plan of the Company and determining eligibility of employees for stock options.
- g. 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](http://www.idfc.com). The remuneration paid to ED is determined keeping in view the industry benchmark and the performance of the Company vis-à-vis industry performance.

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 21st 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 Chairpersonship of the Committees.

The criteria for payment of commission to NEDs are given in **Table 3**. IDFC will pay a sum not exceeding Rs. 70 Lacs as commission to its NEDs for FY20. 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, 2020, none of the NEDs held material number of equity shares of the Company.

**Table 4** gives details of remuneration paid to the Directors during FY20. The Company did not advance loans to any of its Directors during FY20. None of the Directors is entitled to severance fee and none of the NEDs held any stock options as at March 31, 2020. 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

During the year, the Risk Management

NAME OF THE DIRECTOR	DIN	SITTING FEES	SALARY & PERQUISITES	CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	COMMISSION FOR FY19 PAID/PAYABLE IN FY20	PAID DURING FY20 TOTAL
Mr. Vinod Rai	00041867	8,00,000	-	-	21,58,082	29,58,082
Ms. Ritu Anand	05154174	3,25,000	-	-	-	3,25,000
Mr. Ajay Sondhi	01657614	2,25,000	-	-	-	2,25,000
Mr. Anshuman Sharma	07555065	-	-	-	-	-
Mr. Soumyajit Ghosh	07698741	-	-	-	-	-
Mr. S. S. Kohli <sup>1</sup>	00169907	4,50,000	-	-	13,08,082	17,58,082
Ms. Marianne Økland <sup>1</sup>	03581266	4,75,000	-	-	13,04,795	17,79,795
Mr. Chintamani Bhagat <sup>2</sup>	07282200	2,75,000	-	-	10,83,836	13,58,836
Mr. Gautam Kaji <sup>3</sup>	02333127	-	-	-	4,19,961	4,19,961
Mr. Donald Peck <sup>3</sup>	00140734	-	-	-	3,69,824	3,69,824
Mr. Sunil Kakar	03055561	Please refer to MGT - 9				

1. Retired as an Independent Director w.e.f. September 30, 2019

2. Retired as Nominee Director w.e.f. September 30, 2019

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

Committee was re-constituted on September 30, 2019. As on March 31, 2020, the Risk Management Committee (“RMC”) comprises of three Members, with Mr. Vinod Rai as the Chairman, Ms. Ritu Anand and Mr. Anshuman Sharma as its Members, with any two Members forming the quorum. The Committee met once during the year on May 24, 2019.

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

During the year, the Stakeholders’ Relationship Committee was re-constituted on September 30, 2019. As on March 31, 2020, the Stakeholders’

Relationship Committee (“SRC”) consists of three Directors Mr. Vinod Rai as the Chairman, Ms. Ritu Anand and Mr. Soumyajit Ghosh as its Members, with any two Members forming the quorum. The Committee met once during the year on May 24, 2019.

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 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, IEPF 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 FY20.

Details of queries and grievances received and attended by the Company during FY20 are given in **Table 5**.

#### E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year, the Corporate Social Responsibility was re-constituted on September 30, 2019. As on March 31, 2020, the Corporate Social Responsibility (“CSR”) Committee consists of three Directors, Mr. Sunil Kakar as the Chairman, Mr. Vinod Rai and Mr. Anshuman Sharma as its Members. The quorum of the meeting is two Members.

During the year one meeting was held on May 24, 2019.

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 4** to the Board’s Report.

SR. NO.	NATURE OF COMPLAINT	PENDING AS ON APRIL 1, 2019	RECEIVED DURING THE YEAR	ANSWERED DURING THE YEAR	PENDING AS ON MARCH 31, 2020
1.	Non-receipt of Dividend warrants	17*	400	417	NIL
2.	Non-receipt of Annual Report	NIL	158	158	NIL
3.	Complaints received from:				
	- SEBI	NIL	3	3	NIL
	- Stock Exchange	NIL	NIL	NIL	NIL
4.	Non-receipt of Refund	NIL	NIL	NIL	NIL
5.	Non-receipt of Electronic Credit(s)	NIL	NIL	NIL	NIL
6.	Non-receipt of Securities	NIL	NIL	NIL	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.

## F. INVESTMENT COMMITTEE

During the year, the Investment Committee was re-constituted on November 08, 2019. As on March 31, 2020, the Investment Committee ("IC") consists of four Members, namely Mr. Vinod Rai as the Chairman, Ms. Ritu Anand, Mr. Ajay Sondhi and Mr. Sunil Kakar as its Members. Post demerger, IDFC is registered with the RBI as an NBFC - Investment Company.

During the year the Committee met three times on May 24, 2019, July 22, 2019 and August 01, 2019. The broad mandate of IC is to take an informed decision about the proposed investments in equity, preference, convertible securities and VCF Units and other financial assets, 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 reconstituted on November 08, 2019 having Ms. Ritu Anand as Independent Director & Chairperson of the Committee and Mr. Ajay Sondhi, Mr. Sunil Kakar (MD & CEO), Mr. Bipin Gemani & Mr. Dixon Almeida as Members.

The Committee met three times during the year on April 25, 2019, August 14, 2019 and February 06, 2020.

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 IT Security standards within agreed budgets.
- Review of IT team strength, IT outsourced activities and guide in resource mobilizing for executing strategies.
- Ensuring proper controls exist towards IT risks giving a balance of risks and benefits.
- Driving technology decision-making that creates medium- and long-term improvement.
- Reviewing key strategic priorities and translating them into a comprehensive strategic plan for technology initiatives.
- Monitoring the execution of the IT policy, ISMS policy, BCP policy, DR policy, IT Outsourcing policy.
- 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 May 24, 2019 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:

- the Board as a whole,
  - individual Directors (including ID and Chairman) and
  - 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.



FINANCIAL YEAR	LOCATION OF THE MEETING	DATE	TIME	SPECIAL RESOLUTIONS PASSED WITH REQUISITE MAJORITY
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 03	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
FY19	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.	September 30, 2019	11.30 a.m.	i. Appointment of Mr. Anshuman Sharma as a Nominee Director representing Government of India ii. Appointment of Ms. Ritu Anand as an Independent Director iii. Offer and Issue of Non-Convertible Securities through Private Placement

### TOTAL FEES PAID TO PRICE WATERHOUSE & CO, CHARTERED ACCOUNTANTS LLP, STATUTORY AUDITORS

Total fees for all services paid by the Company and its subsidiaries in India, on a consolidated basis, to M/s. Price Waterhouse & Co, Chartered Accountants LLP, Statutory Auditors within the network firm/network entity of which the statutory auditor is a part, is Rs. 1.64 crore.

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Number of complaints filed during the financial year	0
Number of complaints disposed off during the financial year	0
Number of complaints pending as on end of the financial year	0

### CERTIFICATE FROM PRACTICING COMPANY SECRETARY

A certificate from M/s. BNP & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of

India / Ministry of Corporate Affairs or any such statutory authority is annexed to the Board's Report.

### CREDIT RATINGS

The Company has not obtained any rating from Credit Rating Agencies.

### INDEPENDENT DIRECTORS

In the opinion of the Board, the Independent Director's fulfil the conditions specified in SEBI Listing Regulations, 2015 and all are independent of the Management. The Independent Directors are appointed by the Members of the Company and letter of appointment is issued to them as per Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company.

### DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A)

During FY20, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

### 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 / RETIREMENT / RESIGNATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL ("KMPS")

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

1. Mr. S.S. Kohli and Ms. Marianne Økland completed their respective 2nd term and were retired as Independent Directors of the Company w.e.f. September 30, 2019;
2. Mr. Chintamani Bhagat retired at the 22nd AGM of the Company and did not seek re-appointment;
3. Appointment of Ms. Ritu Anand as Additional Director in the category of Independent Director w.e.f. August 16, 2019;
4. Appointment of Mr. Ajay Sondhi as Additional Director in the category of Independent Director w.e.f. November 08, 2019;
5. Appointment of Mr. Mahendra N Shah 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.

## CEO and CFO CERTIFICATION

Certification from the MD & CEO and CFO on the financial statements and internal controls relating to financial reporting for FY20 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 Resolution sought to be passed at the ensuing AGM:

IDFC seeks the approval of Shareholders of the Company by way of Special Resolution for the following matters:

1. Reappointment of Mr. Sunil Kakar as Managing Director & CEO

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 displays 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. Filed through electronic platforms namely NSE Electronic Application Processing System ("NEAPS") and BSE Listing Centre. 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 attends. The quarterly, half-yearly and annual results of IDFC are generally published in leading newspapers like the Hindu Business Line & Makkal Kural except in exceptional situations. The results are also displayed on the website of the Company: [www.idfc.com](http://www.idfc.com).

## DISCLOSURES

### RELATED PARTY DISCLOSURES

During FY20, 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

07

## 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





# VIRTUAL ANNUAL GENERAL MEETING

DATE & TIME

**FRIDAY,  
SEPTEMBER 25, 2020  
AT 11.00 A.M.**

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, 2020, 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) ID of IDFC Limited is appointed 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 audited Annual 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.

## **COMMODITY PRICE RISKS 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 Ordinary / Special Resolution(s) in FY21 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.

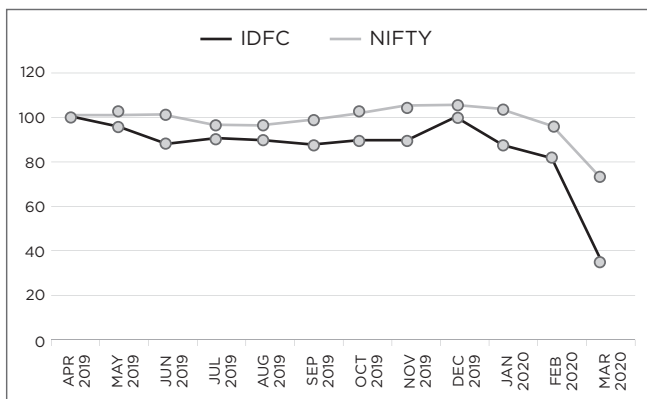
## **COMPLIANCE**

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.

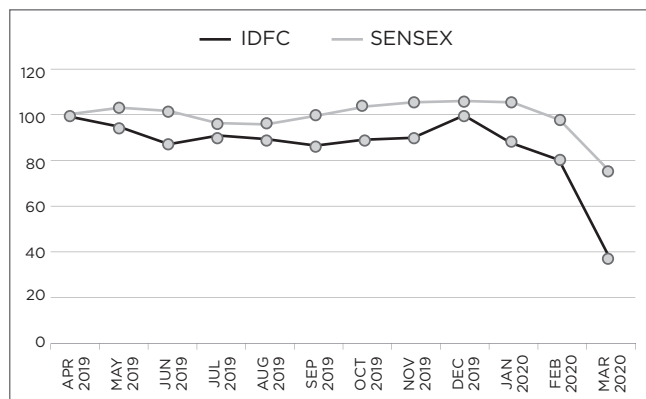
## **ADOPTION OF MANDATORY / NON-MANDATORY REQUIREMENTS SEPARATE POSTS OF CHAIRPERSON AND CEO**

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

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



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



**08**

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

MONTH	BSE			NSE		
	HIGH PRICE	LOW PRICE	TURNOVER (IN LACS)	HIGH PRICE	LOW PRICE	TURNOVER (IN LACS)
Apr-19	47.70	39.05	40.71	47.70	38.95	705.38
May-19	40.50	33.85	122.48	40.60	33.85	1517.68
Jun-19	39.10	33.60	126.50	39.20	33.60	1088.89
Jul-19	37.90	32.20	71.60	37.90	32.00	459.30
Aug-19	36.15	31.75	38.89	35.75	31.70	286.04
Sep-19	38.80	33.80	41.57	38.85	33.85	326.94
Oct-19	35.35	30.80	27.23	35.40	30.75	272.23
Nov-19	36.40	33.00	24.42	36.40	33.00	487.49
Dec-19	39.65	32.00	36.59	39.60	31.90	526.11
Jan-20	40.50	33.75	33.59	40.50	33.55	572.89
Feb-20	37.00	31.90	26.10	37.00	31.85	247.91
Mar-20	33.10	13.40	95.07	33.20	13.25	588.09

**AUDIT QUALIFICATION**

During the year under review, there were no audit qualifications in the Company's Standalone & Consolidated financial statements. IDFC continues to adopt best practices to ensure regime of unqualified financial statements.

**REPORTING OF INTERNAL AUDITORS**

The Internal Auditors present their reports directly to the Audit Committee of the Company.

**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, 2019 to March 31, 2020**

For the year ended March 31, 2020, results were announced on

- August 14, 2019 for the first quarter.
- November 08, 2019 for the second

09

## IDFC'S DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2020

SL NO	CATEGORY (SHARES)	NO. OF HOLDERS	% TO HOLDERS	NO. OF SHARES	% TO EQUITY
1	1 - 5000	405,531	98.26	142,968,929	8.96
2	5001 - 10000	3,522	0.85	26,182,446	1.64
3	10001 - 20000	1,724	0.42	24,921,561	1.56
4	20001 - 30000	560	0.14	14,022,565	0.88
5	30001 - 40000	253	0.06	8,938,009	0.56
6	40001 - 50000	163	0.04	7,560,428	0.47
7	50001 - 100000	396	0.1	29,565,480	1.85
8	100001 and above	535	0.13	1,342,198,898	84.08
	<b>TOTAL</b>	<b>412,684</b>	<b>100.00</b>	<b>1,596,358,316</b>	<b>100.00</b>

10

## IDFC'S EQUITY SHAREHOLDING PATTERN AS ON MARCH 31, 2020

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	31	49,696,693	3.11
3	FOREIGN INSTITUTIONAL INVESTORS /FOREIGN PORTFOLIO - CORP	136	594,980,931	37.27
4	NRI/FOREIGN NATIONALS	5,368	17,378,268	1.09
5	H U F	10,678	18,221,996	1.14
6	BODIES CORPORATES	2,145	114,885,072	7.20
7	MUTUAL FUNDS	17	96,169,512	6.02
8	NBFC	9	752,053	0.05
9	RESIDENT INDIVIDUALS	394,077	395,524,060	24.78
10	TRUSTS	24	15,750,530	0.99
11	CLEARING MEMBERS	191	4,359,785	0.27
12	Other ( AIF, IEPF, QIB)	7	27,239,416	1.71
	<b>TOTAL</b>	<b>412,684</b>	<b>1,596,358,316</b>	<b>100.00</b>

11

## TOP 10 SHAREHOLDERS OF THE COMPANY AS ON MARCH 31, 2020

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	75,915,332	4.76	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	IN303307	10002026	ELLIPSIS PARTNERS LLC	37,100,000	2.32	FPC
8	IN300126	11218380	ICICI PRUDENTIAL EQUITY & DEBT FUND	33,032,827	2.07	MUT
9	IN300054	10066245	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE FRONTLINE EQUITY FUND	26,440,757	1.66	MUT
10	IN300476	40314385	AKASH BHANSHALI	25,350,921	1.59	PUB
			<b>TOTAL</b>	<b>785,502,340</b>	<b>49.21</b>	

- quarter and half year.
- February 06, 2020 for the third quarter and nine months.
- June 25, 2020 for the fourth quarter and annual.

For the year ending March 31, 2021, results will be announced latest by:

- Second week of August, 2020 for the first quarter or as extended by the regulatory authorities.
- Second week of November, 2020 for the second quarter and half year or as extended by the regulatory authorities.
- Second week of February, 2021 for the third quarter and nine months.
- Last week of May, 2021 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 FY21 has 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 **Charts A and 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, 2020 are given in **Table 9, Table 10 and Table 11**, respectively.

#### DEMATERIALISATION 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, 2020, 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

## 12

### DEMATERIALISATION OF SHARES AS ON MARCH 31, 2020

CATEGORY	NO. OF SHARES	%
Physical	8,052	β*
NSDL	1,471,318,704	92.17
CDSL	125,031,560	7.83
<b>TOTAL</b>	<b>1,596,358,316</b>	<b>100</b>

\* β denotes negligible value.

## 13

### STATUS OF UNCLAIMED DIVIDEND AS ON MARCH 31, 2020

PARTICULARS	UNCLAIMED DIVIDEND (RS.)	DATE OF DECLARATION OF THE DIVIDEND	LAST DATE FOR CLAIMING DIVIDEND
2012-13	3351137.00	July 29, 2013	August 29, 2020
2013-14	4038145.00	July 29, 2014	September 2, 2021
2014-15	4120243.00	July 30, 2015	September 3, 2022
2015-16 <sup>1</sup>	-	-	-
2016-17	898364.25	July 28, 2017	August 29, 2024
2017-18	2410506.00	July 31, 2018	September 1, 2025
INTERIM 2019-2020 - 1 <sup>2</sup>	5376075.00	September 21, 2019	October 23, 2026
INTERIM 2019-2020 - 2 <sup>2</sup>	1867388.20	November 14, 2019	December 18, 2026

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

<sup>2</sup> Due to COVID-19, the Company did not receive reconciliation as on March 31, 2020 from the Bank. Balance is provided as on June 25, 2020

## 14

### UNCLAIMED SHARES LYING IN THE ESCROW ACCOUNT

PARTICULARS	NO. OF CASES/ MEMBERS	NO. OF SHARES OF Rs. 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 2019-20	NIL	NIL
Number of Shareholders to whom shares were transferred from suspense account during the year 2019-20	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, 2020	5	1,397

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 Rs. 4,000,034 being unclaimed / unpaid dividend for FY12 and which remained unpaid and unclaimed for a period of 7 years was transferred by the Company to the IEPF. The unpaid dividend amount pertaining to FY13 will be transferred to IEPF after August 29, 2020.

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**. Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 30, 2019 (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. In compliance with the aforesaid provisions, the Company has transferred 45,656 equity shares of Rs. 10 each to the designated account of the 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 KFin Technologies Private

Limited and submit requisite documents, failing which the Company will be constrained to transfer the shares to IEPF Authority as per the Rules.

## 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' and were transferred to IEPF Authority 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 KFin Technologies Private Limited as its Registrar and Transfer Agent. All share transfer and related operations are conducted by Kfin, 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 REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited  
(Unit: IDFC Limited)  
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@kfintech.com](mailto:einward.ris@kfintech.com)

## THE COMPANY SECRETARY

Mr. Mahendra N Shah  
IDFC Limited  
906/907, 9th Floor, Embassy Centre,  
Jamnalal Bajaj Road,  
Nariman Point, Mumbai - 400021  
Tel: +91 22 2282 1549  
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  
4th Floor, Capitale Tower, 555 Anna Salai,  
Thiru Vi Ka Kudiyruppu, Teynampet  
Chennai - 600018,  
Tel: +91 44 4564 4202  
Fax: +91 44 4564 4022

## SKILLS/EXPERIENCE/EXPERTISE OF THE BOARD OF DIRECTORS

NAME OF DIRECTOR	QUALIFICATION / SKILLS	EXPERIENCE / EXPERTISE
Mr. Vinod Rai (72 years)	Mr. Vinod Rai has a Masters Degree in Economics from Delhi School of Economics, University of Delhi. He has a Masters Degree in Public Administration from Harvard University, USA.	Mr. Vinod Rai was the former Comptroller and Auditor General of India. Mr. Rai has wide experience of working in various capacities at both, the Central and State Governments. His previous position was as Secretary in the Ministry of Finance - Gol, where he was responsible for managing the Financial Services sector, including banks and insurance companies. He had been a Director on several Boards including the State Bank of India, ICICI Bank, IDBI Bank, Life Insurance Corporation of India and IDFC. Mr. Rai was instrumental in setting up the India Infrastructure Finance Company Limited and was also on the Board of this company. Mr. Rai has also been the Principal Secretary (Finance) in the State Government of Kerala, apart from holding senior positions in the Ministries of Commerce and Defence, Gol.
Ms. Ritu Anand (67 years)	Ms. Anand holds a Masters degree in Economics from the London School of Economics and Bachelor degree in Arts from Wellesley College, Massachusetts and St. Xavier's College, Mumbai.	Ms. Ritu Anand has served as Group Head, Chief Economist and Principal Advisor at IDFC Limited. Ms. Anand has over 35 years of extensive experience in working with financial institutions, multilateral development agencies and government and regulatory authorities in the areas of economics and public policy. She served as Chief Economic Advisor and Deputy Managing Director of State Bank of India. Ms. Anand served as the Lead Economist at World Bank, Washington DC, U.S.A.
Mr. Ajay Sondhi (60 Years)	Mr. Sondhi was a 2017 Fellow, Harvard Advanced Leadership Initiative. He has an MBA in Finance from JBIMS, Mumbai University, and a Bachelor of Arts in Economics (Honors) from St. Stephens College, Delhi University.	Mr. Ajay Sondhi is CEO of Sentinel Advisors Pte Ltd, Singapore, a boutique business and strategy advisory firm. He has had a long career in banking, and has held several senior leadership roles in the industry in India and overseas. He was most recently MD and Regional Manager for PWM at Goldman Sachs, Singapore. Mr. Sondhi started his career with Citibank India where he rose to become corporate bank and corporate finance head. He subsequently worked with Salomon Brothers Hong Kong, and then moved back to India as Group CEO for Barclays Bank and BZW. He was subsequently Country Head and CEO India for UBS AG, and then went on to become the Vice Chairman and Managing Director for Kotak Mahindra Capital Company.
Mr. Anshuman Sharma (41 years)	He is a post Graduate in Management and has a multifarious personality.	Sh. Anshuman Sharma is an IRS officer of 2005 Batch and has experience of around 12 years. He had been actively involved in Administration, Transfer Pricing and Tax Assessment. At present, he is posted as Deputy Secretary at Department of Financial Services, Ministry of Finance looking after portfolio of Industrial Finance. He is currently on the Board of IFCI Ltd and India Post Payments Bank (IPPB). He has also served on the Board of Allahabad Bank for a period of one year.
Mr. Soumyajit Ghosh (46 years)	He has graduated with Hons in Statistics.	Mr. Soumyajit Ghosh is a Nominee Director from the Ministry of Finance, Government of India on the IDFC Board. Mr. Soumyajit Ghosh is Under Secretary with Department of Financial Services (DFS), Ministry of Finance, Government of India. He has experience in Administration of Financial Rules and has handled administrative matters pertaining to Promotions of All India Services, legal issues and procurement matters, including defense procurement. Presently, he is handling administrative & other matters relating to Financial Institutions namely, EXIM Bank, IIFCL, IFCI Limited etc. he is also handling the issues relating to the revival of stressed assets in infrastructure sector.
Mr. Sunil Kakar (63 years)	Mr. Kakar holds an MBA in Finance from XLRI and a degree in engineering from IIT Kanpur.	Mr. Sunil Kakar is the Managing Director & CEO of IDFC Limited. He started his career at Bank of America where he worked for 18 years in various roles, covering Business Planning & Financial Control, Branch Administration and Operations, Market Risk Management, Project Management and Internal Controls. As a CFO from 1996 to 2001, Mr. Kakar spearheaded the Finance function at Bank of America in India. After Bank of America, Mr. Kakar was the CFO at Max New York Life Insurance Company since 2001. He led numerous initiatives including Planning, Investments / Treasury, Finance and Accounting, Budgeting and MIS, Regulatory Reporting and Taxation. As part of the start-up team in Max New York Life, Mr. Kakar was a key part of core group which led the successful development of the insurance business.





# CEO & CFO CERTIFICATE

Certification by Chief Executive Officer and Chief Financial Officer of the Company for the Financial Year 2019-2020

We Sunil Kakar, Managing Director & Chief Executive Officer and Bipin Gemani - Chief Financial Officer of IDFC Limited (“**IDFC**” or “**the Company**”), hereby certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by IDFC during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing

and maintaining internal controls for financial reporting in IDFC and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated to the Auditors and the Audit committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and the same have been disclosed in the Notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and
  - iv. the involvement therein, if any, of the Management or an

employee having a significant role in the Company's internal control system over financial reporting.

- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any)
- f) We further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the current year.

**Sunil Kakar**  
Managing Director & CEO

**Bipin Gemani**  
Chief Financial Officer

Mumbai | June 25, 2020



# INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

## TO THE MEMBERS OF IDFC LIMITED

We have examined the compliance of conditions of corporate governance by IDFC Limited (the 'Company') for the year ended March 31, 2020, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the

explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR BNP & ASSOCIATES**  
Company Secretaries  
[Firm Regn. No. P2014MH037400]

**B. Narasimhan**  
Partner  
FCS No.: 1303  
COP No.: 10440  
UDIN: F001303B000621340

Mumbai | August 27, 2020