



# BUSINESS RESPONSIBILITY REPORT

## SECTION **A** GENERAL INFORMATION ABOUT THE COMPANY

**1. Corporate Identity Number (CIN) of the Company :** L65191TN1997PLC037415

**2. Name of the Company :**  
IDFC Limited

**3. Registered address:**  
4<sup>th</sup> Floor, Capitale Tower,  
555 Anna Salai, Thiru Vi Ka Kudiyiruppu,  
Teynampet, Chennai - 600 018

TEL: +91 (44) 4564 4202  
FAX: +91 (44) 4564 4222

**4. Website:**  
www.idfc.com

**5. E-mail id:**  
mahendra.shah@idfc.com

**6. Financial Year reported**  
2020 - 2021

**7. Sector(s) that the Company is engaged in (industrial activity code-wise):**

IDFC Limited holds a certificate of registration bearing no. B-07.00718 issued by the Reserve Bank of India ("RBI") to carry on the activities of a Non-Banking Financial Company ("NBFC") under Section 45 IA of RBI Act, 1934 in the category of Investment Company.

**8. List three key products / services that the Company manufactures / provides (as in balance sheet)**

IDFC provides services in the following domain through its subsidiaries:

- Public market assets management: Mutual Fund

**9. Total number of locations where business activity is undertaken by the Company**

- a) Number of International Locations: IDFC Limited has no operations in International Locations.
- b) Number of National Locations: IDFC Limited has 2 offices in India located at Chennai and Mumbai. Our group companies have 46 offices / branches across the country.

**10. Markets served by the Company:**  
Local / State / National / International  
IDFC Limited serves national market only. Our subsidiaries serve international market too (namely through a Mauritius subsidiary).

## SECTION **B** FINANCIAL DETAILS OF THE COMPANY

### 1. Paid up Capital (Rs.)

1596.36 crore

### 2. Total Turnover (Rs.)

7.72 crore

### 3. Total Profit after taxes (Rs.)

8.98 crore

### 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

Please refer **Annexure 4** of Board's Report.

### 5. List of activities in which expenditure in 4 above has been incurred:

During the FY21, IDFC Foundation, the implementing agency of IDFC, worked extensively with various reputed NGOs on the major projects / programmes as detailed in **Annexure 4** of Board's Report.

## SECTION **C** OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/ Companies?

• YES

### 2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :

BR initiatives of the parent company are also participated by its subsidiaries.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] • YES

There are various entities that IDFC does business which take part in our BR initiatives. Majority of our BR initiatives are driven through IDFC Foundation. We engage with our business associates, implementing partners / agencies / registered NGOs and also clients to carry out our BR related initiatives. Given the nature of our operations, we have a limited scope of such interventions but we continue to look for opportunities and conduct our operations responsibly. Entities participating in the Company's BR activities constitute less than 30%.

## SECTION **D** BUSINESS RESPONSIBILITY REPORT

### 1. Details of Director/Directors responsible for BR

#### a) Details of the Director/Directors responsible for implementation of the BR policy / policies

DIN Number: **03055561**

Name: **Mr. Sunil Kakar**

Designation: **Managing Director & CEO**

#### b) Details of the BR head

DIN Number: **N.A.**

Name: **Mr. Mahendra N Shah**

Designation: **Company Secretary**

Telephone number: **022 4222 2000**

E-mail id: **mahendra.shah@idfc.com**

### 2. Principle-wise (as per NVGs) BR Policy / policies (see Table 01)

#### NOTE 1

- The 10 Principles of the United Nations Global Compact
- E&S Policy
- Equator Principles Financial institution
- Signatory to Equator Principles

#### NOTE 2

#### Web-link for the policy

#### P1 ETHICS, TRANSPARENCY & ACCOUNTABILITY • YES

Code of Conduct: [http://www.idfc.com/pdf/code\\_of\\_conduct.pdf](http://www.idfc.com/pdf/code_of_conduct.pdf)

Whistle Blower policy: [http://www.idfc.com/pdf/whistle\\_blower\\_policy.pdf](http://www.idfc.com/pdf/whistle_blower_policy.pdf)

#### P2 SUSTAINABILITY IN LIFE CYCLE OF PRODUCT • YES

E&S Policy: [http://www.idfc.com/our-firm/environment\\_and\\_social\\_policy.htm](http://www.idfc.com/our-firm/environment_and_social_policy.htm)

#### P3 EMPLOYEE WELL-BEING • YES

All policies listed for this section are on our internal portal.

#### P4 STAKEHOLDER ENGAGEMENT - PARTIAL

Fair Practices Code: <http://www.idfc.com/pdf/fairPracticeCode.pdf>

CSR Policy: <http://www.idfc.com/pdf/csrapolicy.pdf>

The web-link to Code of Conduct has been provided above;

## 01

## PRINCIPLE-WISE (AS PER NVGs) BR POLICY / POLICIES

## A DETAILS OF COMPLIANCE (REPLY IN Y / N)

NO.	DETAILS OF COMPLIANCE (REPLY IN Y / N)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? Please refer to Note 1	Y	Y	Y	N	Y	Y	N.A	N	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
6	Indicate the link for the policy to be viewed online?	Please refer to Note 2								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N.A	Y	Y
8	Does the company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	N.A	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	N	Y	Y	Y	N	N.A	N	N
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	N	Y	Y	Y	Y	N.A	Y	N

## B IF ANSWER TO THE QUESTION AT SERIAL NUMBER 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE EXPLAIN WHY: (TICK UP TO 2 OPTIONS)

NO.	DETAILS OF COMPLIANCE (REPLY IN Y / N)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task		✓				✓		✓	✓
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)							✓		
	Currently, IDFC does not have any policies for Principle 7; the Company already has taken several initiatives in the field of responsible lending and actively engages with clients, regulators, lenders and other business partners. The Company had published the 'India Infrastructure Report' with specific insights. Hence, the need for a separate policy on public policy advocacy has not been felt. If necessity arises, a specific policy will be developed in the future.									

**P5 PROMOTION OF HUMAN RIGHTS** • YES

The Web-link for Whistle Blower Policy has been provided above; other policies are available on our internal portal.

**P6 ENVIRONMENTAL PROTECTION** • YES

E&S Policy: [http://www.idfc.com/our-firm/environment\\_and\\_social\\_policy.htm](http://www.idfc.com/our-firm/environment_and_social_policy.htm)

**P7 RESPONSIBLE PUBLIC POLICY ADVOCACY** • N.A.

**P8 INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT** • YES

CSR Policy: <http://www.idfc.com/pdf/csrpolicy.pdf>

**P9 CUSTOMER VALUE** • YES

Equator Principles: <http://www.idfc.com/pop.html>

**5 Governance related to Business Responsibility**

**a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The Company reviews its BR performance annually.

**b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

The Company publishes BR Report Annually which is available on the website [www.idfc.com/investorrelations/annual\\_report.htm](http://www.idfc.com/investorrelations/annual_report.htm)

**SECTION E PRINCIPLE WISE PERFORMANCE**

**PRINCIPLE 1**

**ETHICS, TRANSPARENCY & ACCOUNTABILITY**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

IDFC has developed its Code of Conduct and Whistle Blower Policy which pertain to ethics, bribery and corruption. The Code of Conduct and the Whistle Blower policy are applicable to IDFC and our group companies. Furthermore, all our major suppliers are also required to agree to conform to the Code of Responsible Business Conduct (which covers ethical business practices) for the duration of their contract with IDFC.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

There were no stakeholder complaints received in the reporting period with regard to ethics, bribery and corruption.

**PRINCIPLE 2**

**SUSTAINABILITY IN LIFE CYCLE OF PRODUCT**

**a. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

IDFC is an Investment Company holding investment in its subsidiaries.

**b. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional).**

Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? - N.A.

Reduction during usage by consumers (energy, water) has been achieved since the previous year? - N.A.

**c. Does the Company have procedures in place for sustainable sourcing (including transportation)? If Yes, what percentage of your inputs was sourced sustainably?**

IDFC, being a Financial Institution, is relatively less resource intensive in terms of material inputs. Our major material requirements are office, communications and IT related equipment. Despite the limited scope of our procurement needs, we continue to take initiatives to ensure responsible sourcing in our supply chain. We have a Code of Responsible Business Conduct for our major suppliers, which outlines our expectations from them in the areas of labour standards, environment and ethical business practices. It would not be possible to ascertain the percentage of inputs that are sourced sustainably.

**d. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If Yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

We will prefer locally available goods and services, other considerations being comparable. We have taken several initiatives for the development of local suppliers of goods and services. Some of the examples are:

- We conduct dedicated capacity building programs for local and small vendors.
- We undertake regular trainings to upgrade skills of our housekeeping and security staff;

**e. Does the Company have a mechanism to recycle products and waste? If Yes what is the percentage of recycling of products and waste (as <5%, 5-10%, >10%).**

YES. We recycle <5% of total waste generated from our operations.

**PRINCIPLE 3**

**EMPLOYEE WELL-BEING**

**1. Please indicate the total number of employees - 6**

**2. Please indicate the total number of employees hired on temporary / contractual / casual basis - NIL**

**3. Please indicate the number of permanent women employees - 3**

**4. Please indicate the number of permanent employees with disabilities - NIL**

**5. Do you have an employee association that is recognised by management? - NO**

**6. What percentage of your permanent employee(s) is a member(s) of this recognised employee association? N.A.**

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

e) Child labour / forced labour / involuntary labour NIL

f) Sexual harassment - NIL

g) Discriminatory employment - NIL

**8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

Permanent Employees: N.A.

Permanent Women Employees: N.A.

Casual / Temporary / Contractual Employees: N.A.

Employees with disabilities: N.A.

## PRINCIPLE 4

### STAKEHOLDER ENGAGEMENT

**1. Has the Company mapped its internal and external stakeholders? Yes / No**

YES

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

YES

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?**

YES, IDFC regularly undertakes initiatives to engage with its internal and external stakeholders. These are briefly described below.

### EMPLOYEES STAKEHOLDER GROUP

- We have processes in place to ensure upholding of the rights of our employees and protect them against any form of discrimination.
- We conduct regular learning and development activities for our employees for their skill enhancement.

### COMMUNITIES STAKEHOLDER GROUP

IDFC, through IDFC Foundation, undertakes various CSR initiatives with primary focus in the areas of education, healthcare and livelihood. We support and collaborate with various agencies to carry out our CSR activities aimed at inclusive growth.

### BUSINESS ASSOCIATES STAKEHOLDER GROUP

- We conduct dedicated capacity building programs for local and small vendors.
- Our Code of Responsible Business Conduct for our major suppliers encourages them to carry out their operations with a focus on labour standards, environment and ethical business practices.

### SHAREHOLDERS / INVESTORS STAKEHOLDER GROUP

We have robust mechanisms in place which ensures full, fair, accurate, timely and understandable disclosures to all our Shareholders and investors.

## CLIENTS STAKEHOLDER GROUP

Our Fair Practices Code specifies the ethical principles to be followed in all our services, products and client interactions and also provides for a grievance redressal mechanism to our clients.

## PRINCIPLE 5

### PROMOTION OF HUMAN RIGHTS

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

IDFC is a signatory to UNGC since 2001. All our business operations are guided by a set of principles outlined in UNGC and this include principles on human rights as well. This is applicable to all our group companies and service providers.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? NIL**

## PRINCIPLE 6

### ENVIRONMENTAL PROTECTION

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

Our policy pertaining to environmental protection is applicable to all our group companies.

**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.?**

YES, IDFC as one of the leading and responsible organisation, has undertaken several initiatives to minimise its environmental impact. The details of which can be found in our website [http://www.idfc.com/our-firm/environment\\_management.htm](http://www.idfc.com/our-firm/environment_management.htm)

**3. Does the Company identify and assess potential environmental risks? YES**

**4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed? NO**

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.**

NO

**6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

N.A.

**7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

NIL

## PRINCIPLE 7

### RESPONSIBLE PUBLIC POLICY ADVOCACY

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

IDFC group is an active member of several trade bodies and associations. Some of the major ones are listed below:

- Bombay Chamber of Commerce & Industry
- Indian Merchants Chamber
- Asia Society India Centre

**2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?**

We provide thought leadership and advocacy in areas of infrastructure policy and governance, with a thrust on sustainable infrastructure. Climate change, urban, water, education, land acquisition are some of the pressing issues that IDFC focuses on and also advocates through its policy advocacy initiatives. IDFC is actively working with Government agencies, other financial institutions and industry associations like CII and FICCI on formulating innovative financing mechanism to attract private sector investment in the low carbon sector. IDFC has been part of the Committee for reforms on Infrastructure financing and reforms on roads and railways.

## PRINCIPLE 8

### INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?**

The IDFC Foundation, the CSR implementing agency of the IDFC Group has initiated a number of activities to support inclusive growth and equitable development. The following is a brief summary of the efforts:

#### IDFC INSTITUTE

##### Research and Studies

IDFC Institute has been set up as an independent, economic development-focused think/do. Our approach to public policy issues rests on a solid foundation of evidence-based research. IDFC Institute continued to be a thought leader on urbanisation. The World Economic Forum (WEF) published our white paper, Indian Cities in the Post-Pandemic World, which compiled a series of interviews with experts including Alain Bertaud, Jessica Seddon, to chart out a new urban reforms agenda. In collaboration with the WEF, we are hosting an expert Working Group with the Government of Punjab on urban reforms. We also continued to build expertise in the area of criminal justice reform. In partnership with the Madhya Pradesh Police, we conducted a study on internal communication, intrinsic motivation and agency of constables on COVID-19 duty across all districts and launched PARIMAL (Pracademic Action Research Initiative with Multidisciplinary Approach Lab) within their state police academy. We set up the Data Governance Network (DGN) in 2019 to bridge the gap in research on data governance. DGN produces research that informs policymaking and generates dialogue among a wide audience on key themes such as privacy, consent, digital rights and surveillance. In its second year, DGN published several papers and policy briefs on issues ranging from competition law to community ownership of non-personal data and established a partnership with NITI Aayog to organise webinars and training sessions on the theme of Technology for Governance, to bring cutting edge global expertise on tech for governance to government officials in India.

In March 2020, we set up an **expert task force** to help the government

respond to Covid-19 – this included the first serological surveys in Mumbai and Karnataka. The results of our serological surveys in Mumbai were included in the World Health Organisation's Global Solidarity Trial and published in Lancet Global Health. The results from the surveys in Karnataka and Tamil Nadu were published respectively in JAMA and MedRxiv. We developed a state-wide communications strategy for the Government of Punjab to encourage early testing, which was widely used by several departments including the District Public Relations Office. We are currently working with their Health Department on a statewide vaccine hesitancy campaign. We wrote a white paper for the World Bank India office on the Pradhan Mantri Garib Kalyan Yojana, the Indian government's relief package of Rs 1.70 trillion, that examined issues of coverage, identification and implementation. Our data science team supported numerous state governments; for instance, we helped build and streamline some of the early Covid case dashboards for the Government of Maharashtra and have been working with the Government of Tamil Nadu, supporting them with the analysis of seroprevalence surveys and with modelling bed capacity during the second wave. The Track 2 Task Force has representatives from the World Bank, Omidyar Network, Gates Foundation, Rockefeller Foundation, UChicago, MIT, NYU, Dalberg, McKinsey and BCG, and is backed by a team of 50-60 researchers at Stanford University, MIT and elsewhere.

In 2020-21, we convened several webinars to facilitate discussions through informed, candid and substantive conversations. We hosted virtual **roundtables** and **brown bags** on a host of issues including public health, access to justice, governance reforms, building state capacity and data governance. We wrote and published actively in leading newspapers like Mint, Hindustan Times, Bloomberg Opinion, among others. All our research, reports, databases and recommendations are in the public domain and freely accessible through our website: [www.idfcinstitute.org](http://www.idfcinstitute.org).

**2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Government structures / any other organisation?**

IDFC Foundation, a not-for-profit company within the meaning of Section 8 of the Companies Act,

2013 (erstwhile Section 25 of the

Companies Act, 1956) was incorporated in India on March 4, 2011 and is a 100% subsidiary of IDFC Limited.

IDFC Foundation is acting as an implementing agency on behalf of IDFC Ltd. and its group Companies to carry out CSR activities as per CSR policy adopted by IDFC and its group Companies in line with Section 135 and read with the schedule VII of the Companies Act, 2013. IDFC Foundation would primarily focus on CSR activities as well defined projects or programmes that would include promoting and development of

- (a) livelihoods,
- (b) rural development projects,
- (c) promoting healthcare including preventive health care,
- (d) education,
- (e) community engagement / development,
- (f) environmental sustainability,
- (g) disaster relief,
- (h) research and studies in all or any of the activities mentioned in Schedule VII of the Companies Act, 2013 and
- (i) Others;

**3 Have you done any impact assessment of your initiative?**

IDFC Foundation has a system of reviewing of all its initiatives wherein the progress of each initiative is evaluated along with its impact on the touch points. The desired objectives (performance parameters) of the initiatives are generally stated at the commencement stage of the initiative and reviewed periodically and course correction measures are taken, if required.

**4 What is your Company's direct contribution to community development projects—Amount in Rs. and the details of the projects undertaken? Please refer to Annexure 4 of Board's Report.**

**5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

In implementing its initiatives, IDFC Foundation undertakes a considerable amount of capacity building of the partner organisations in order to ensure the quality and sustainability of outcomes.

**PRINCIPLE 9**

**CUSTOMER VALUE**

**1 What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

All the customer complaints that were received in the reporting period have been resolved and there are no complaints pending as at the end of FY21.

**2 Does the Company display product information on the product label, over and above what is mandated as per local laws? N.A.**

**3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year?**

There are no cases filed / pending as at the end of FY21.

**4 Did your Company carry out any consumer survey / consumer satisfaction trends?**

IDFC periodically measures the satisfaction among its customers, understand their expectation and essentially to gauge our competitiveness in the industry.

