

**IDFC FIRST Bharat Limited**

CIN: U65929TN2003PLC050856

REGISTERED OFFICE: S.A.N. Complex, No. 04 Williams Road,
Cantonment, Trichy 620 001.**Website:** www.idfcbharat.com; **Tel:** +91 431 4500000**Email:** sampark@idfcbharat.com

NOTICE is hereby given that the Nineteenth Annual General Meeting ('AGM') of the Members of IDFC FIRST Bharat Limited will be held on Saturday, July 23, 2022, at 03:00 p.m. Indian Standard Time ('IST') through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') in accordance with relevant circulars issued by Ministry of Corporate Affairs (MCA) to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt, the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Praveen Kumar Vecha (DIN: 09060904), who retires by rotation and being eligible, offers himself for re-appointment.
3. **TO DECLARE DIVIDEND FOR THE FY ENDED MARCH 31, 2022**

To pass the following resolution as **ordinary resolution**

"RESOLVED THAT the interim dividend of Rs. 126/- per equity share of Rs. 10/- each declared by the Board of Directors on September 14, 2021, be and is hereby confirmed."

SPECIAL BUSINESS

4. **REMUNERATION PAYABLE TO MR. PRAVEEN KUMAR VECHA, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (DIN:09060904) OF THE COMPANY**

In this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**: -

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, Schedule V of the Companies Act, 2013, (including any statutory modification (s) or re-enactment (s) thereof for the time being in force), Articles of Association of the Company, and on recommendation of the Audit Committee and the Nomination & Remuneration Committee, and the Board of Directors, and subject to the approvals as may be necessary, from concerned statutory authorities or regulatory bodies and subject to conditions as may be prescribed, by such authorities or regulatory bodies while granting such approvals, and in partial modification of earlier resolution passed in this regard on September 14, 2021, the

consent of the Members be and is hereby accorded for the remuneration payable to Mr. Praveen Kumar Vecha (DIN 09060904) the Managing Director and Chief Executive officer (MD & CEO) of the company for the FY 2022-23 on the following terms and conditions

Fixed Pay	Rs. 1,72,50,000/- per annum
Variable Pay	As may be decided by the Board based on the recommendations of the NRC and performance of the company during the year.
Perquisites	a. <i>Free use of Company's Car:</i> The MD and CEO would be eligible for usage of one company owned car for official purposes. b. <i>Others:</i> As per the policy of the Company.

The Contributions towards Provident Fund and Gratuity; leave encashment, other allowances as per the policy of the Company.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable.

RESOLVED FURTHER THAT Mr. Praveen Kumar Vecha be paid such Variable Pay as may be approved by the Nomination and Remuneration Committee and/ or the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the 'Board', which term shall include any Committee which the Board of Directors of the Company may have constituted or may thereafter constitute and delegate with the powers necessary for the purpose) be and is hereby authorized to fix the actual amount of remuneration and perquisites, payable to or be provided to Mr. Praveen Kumar Vecha and alter, modify, vary or increase the same from time to time, within the limits approved by the Members, to the extent the Board may consider appropriate.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits, the remuneration as decided by the Board, shall be paid to Mr. Praveen Kumar Vecha as minimum remuneration read with the applicable provisions of Schedule V of the Companies Act, 2013, and rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company, Mr. Bobby Xavier, Head- Legal & Company Secretary, be and are hereby severally authorized to file the requisite forms with the statutory/ regulatory authority(ies) and to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

**By order of the Board
For IDFC FIRST Bharat Limited**

**BOBY XAVIER
COMPANY SECRETARY**

Place : June 24, 2022

Date : Trichy

NOTES:

1. Pursuant to the guidelines and notification issued by the Ministry of Corporate Affairs (the 'MCA'), Government of India vide its General Circular No.20/2020 dated May 05, 2020 w.r.t. Clarification on holding of Annual General Meeting ('AGM' or 'Meeting') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circular No.14/2020 dated April 08, 2020, General Circular No.17/2020 dated April 13, 2020, read with General Circular No 02/2021 dated January 13, 2021, read with General Circular No 21/2021 dated December 14, 2021, read with General Circular No 02/2022 dated May 05, 2022 (collectively referred to as 'MCA Circulars') a company can convene its AGM through VC/ OAVM and dispensed physical/ personal presence of the Members at a common venue during AGM upto December 31, 2022.
2. The management decided to conduct the 19th AGM through VC/ OAVM. Hence, the Members can attend and participate in the ensuing AGM through VC/ OAVM only. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the Meeting.
3. The link for attending the Annual General Meeting through VC / OAVM shall be sent through a separate e-mail (to the registered e-mail Id available with the Company).
4. The VC /OAVM shall contain facility for two-way teleconferencing (commination) which will enable the members to pose questions concurrently.
5. Facility of joining the AGM through VC/ OAVM shall open 15 (Fifteen) minutes before the time scheduled for the AGM and will be closed on the expiry of 15 (Fifteen) minutes from the scheduled time of the AGM.
6. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Members who need assistance before or during the AGM, can contact Mr. Bobby Xavier, the Company Secretary of the Company at his e-mail id bobby.x@idfcfirstbharat.com or at +91 9942557733.
8. At the meeting, if a poll is demanded for passing a resolution, the members can cast their votes **only by sending an e-mail** to the Company Secretary bobby.x@idfcfirstbharat.com.

9. PROXIES:

Pursuant to the provisions of the Act, a member, entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.

10. Institutional/ Corporate Members (i.e. other than individuals/ HUF, NRI, etc.) intending their authorised representatives to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting are requested to send scanned certified true copy (PDF/ JPEG Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), by email through its registered email address at e-mail id: boby.x@idfcfirstbharat.com with a copy marked to statutory@idfcfirstbharat.com.
11. The Special Resolution shall be declared as passed if the number of votes cast in favor of the Special Resolution are not less than three-fourth times the number of votes cast against the Special Resolution.
12. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
13. Since the 19th AGM of the Company is being held through VC/ OAVM, the route map is not annexed to this Notice.
14. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM.
16. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., July 23, 2022. Members seeking to inspect such documents can send an email to boby.x@idfcfirstbharat.com.

Explanatory Statement under Section 102 of the Companies Act, 2013.**ITEM NO. 4****Remuneration payable to Mr. Praveen Kumar Vecha (DIN:09060904) as the Managing Director of the Company.**

Based on the recommendations of the NRC, the Board of Directors of the Company at the meeting held on January 21, 2021, had approved the appointment of Mr. Praveen Kumar Vecha as the Additional Director and redesignated him as the MD and CEO of the Company effective from February 17, 2021, subject to the Approval of the Members at a General Meeting. Subsequently, at the 18th AGM held on September 14, 202, members regularized the said appointment unanimously.

Based on the recommendations of the NRC and the Audit Committee, the Board of the Directors, subject to the approval of the Members, had recommended the following remuneration to Mr. Praveen Kumar Vecha for the FY 2022-23 as tabled hereunder:

Fixed Pay	Rs. 1,72,50,000/- per annum
Variable Pay	As may be decided by the Board based on the recommendations of the NRC and performance of the company during the year.
Perquisites	a. Car: The MD and CEO would be eligible for usage of one company owned car for official purposes. b. Others: As per the policy of the Company.

The Contributions towards Provident Fund and Gratuity; leave encashment, other allowances as per the policy of the Company.

Mr. Praveen Kumar Vecha is working in a professional capacity and is not having any interest in the capital of the Company or its holding Company directly or indirectly or through any other statutory structures and not having any, direct or indirect interest or related to the directors or promoters of the Company or its holding company at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the Company operates.

The Board of Directors recommend passing of the Special Resolution as set out in Item No.4 of this Notice.

Mr. Praveen Kumar Vecha is not related with any other Director, Key Managerial Personnel ('KMP') and/ or their relatives. Mr. Praveen Kumar Vecha may be deemed to be concerned or interested in the resolution relating to his appointment and remuneration. Except him, none of the other Directors, KMP and / or their relatives are, in any way, financial or otherwise, interested or concerned in this resolution.

Brief profile and other details of Mr. Praveen Kumar Vecha is provided in the Exhibit to Notice.

Statement pursuant to Schedule V of the Companies Act, 2013, is attached and forms part of this Notice.

**By order of the Board
For IDFC FIRST BHARAT LIMITED**

**BOBY XAVIER
COMPANY SECRETARY**

Place : June 24, 2022

Date : Trichy

Director Details	Praveen Kumar Vecha
DIN	09060904
Date of Birth	September 03, 1976
Age	46
Nationality	Indian
Date of First Appointment on the Board	February 17, 2021
Brief resume, qualification, experiences and nature of expertise in specific functional areas	<ul style="list-style-type: none"> ✓ Praveen Kumar Vecha is a Rural Business and Financial Services professional with over 2 decades of experience. He is a successful leader with expertise in managing a Profit centre, Large-teams, Product Development, Risk Management, Sales, Marketing and Strategic Initiatives. His overall experience has consistently been in building deep distribution asset businesses from scratch in the hinterlands of India, with scale and an impeccable credit track record. ✓ In his last assignment, he worked as the CEO of APAC Housing Finance Pvt Ltd. He built the affordable housing and micro mortgage business for APAC Group taking the network to over 30 branches in less than 2 years. ✓ Prior to that he worked at IDFC FIRST Bank as a Senior Director - BC and Partnerships. He was responsible for the integration of the business of Grama Vidiyal Micro Finance Ltd. with the bank by aligning the governance, product, process, technology and business with the bank. He worked on building a strong foundation for making the entity a multi-product Business Correspondent. ✓ He was with Fullerton India Credit Co Ltd between 2005 and 2016. In the initial years of the long association with Fullerton India, Praveen worked as Manager for Marketing and for Strategic Initiatives. In 2007, he became a core member of the team which built the Rural Business vertical (Gram Shakti). In the project phase, he developed the Product Program by balancing the underlying risks in Rural Market and developed the distribution model. ✓ After spending time in the corporate office during the project phase, he went on to start the Business in the state of Andhra Pradesh. Within a couple of years, he started managing business in South India. In 2016, he moved into the Corporate Office to manage the business at National level. ✓ He started his career with EID Parry (I) Ltd as a Management Trainee in the Farm Inputs Division where he honed his understanding of the rural consumer. He moved to ICICI Lombard General Insurance Co Ltd where

	<p>he was part of the team which started the rural business vertical for the company.</p> <p>✓ He is a Postgraduate in Agri Business Management and a Graduate in Agriculture.</p>
No. of Board Meetings attended during financial year 2021-22	6/6
Directorships held in other companies (except Foreign Companies)	Nil
Memberships / Chairmanships of Committees of other Boards (except Foreign Companies)	Nil
Remuneration Last drawn	<p>Fixed Pay: Rs. 1.50 Crore per annum</p> <p>Variable Pay: Rs. 0.70 Crore</p> <p>Welcome Bonus: Rs. 1.00 Crore.</p> <p>ESOPS: 10,00,000 IDFC FIRST Bank Shares</p>
Details of Remuneration sought to be paid	As provided in the resolution set out in item No. 4 of this notice.
Shareholding of Director in IDFC FIRST Bharat Limited	Nil
Relationship with other Directors and KMP	Nil

Statement pursuant to Schedule V Part II Section II Proviso iii Item No iv

Particulars	Praveen Vecha	
I. General Information's		
Nature of the Industry	The Company is in the business of offering business correspondence services to its direct holding Company viz. IDFC FIRST Bank Limited.	
Date or expected date of commencement of commercial production	Not applicable, as the Company is in existence form 15.05.2003	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.	
Financial performance based on given indicators	Particulars	Amount
	Total income	Rs. 57,454 Lakhs
	Net Profit as per Statement P&L (After Tax)	Rs. 3,167 Lakhs
Foreign investments or collaborations, if any	Nil	
II. Information about the appointee		
Background details	Age, qualifications & Experience: Kindly refer to Exhibit to Notice.	
Recognition or awards	Nil.	
Job profile and his suitability	Kindly refer Exhibit to Notice	
Proposed Remuneration	As provided in the resolution set out in item no 4 of this notice.	
Comparative remuneration profile with respect to industry	As per the existing agreements with the holding company IFBL bills the parent entity on a cost-plus model. Since its difficult to identify an entity with this revenue model the same is not ascertainable.	
Pecuniary Relationship with the Company	Mr. Praveen Kumar Vecha had no pecuniary relationship with the Company directly or indirectly except to the position he holds as the Managing Director and Chief Executive Officer of the Company.	
III. Other information's		
Reasons for inadequate profit	During October 2016, the 100% equity share capital of the Company was acquired by IDFC FIRST Bank Limited, pursuant to the share purchase agreement entered by them with the erstwhile promoters and other shareholders. Post takeover the new management has incorporated structural changes in the areas as required. Further as per the existing agreements with the holding company IFBL bills the parent entity on a cost-plus model. As a proper business model IFBL is striving its best to reduce the cost incurred on a day-to-day basis	

	<p>however, we are stretching on the volumes on a year over year basis.</p> <p>The above proposition has resulted in a situation where the earning capacity of IFBL is limited to a certain percentage of its total cost incurred, which consequently leads to a situation of Inadequate Profit for payment of Managerial Remuneration in terms of the portions of the Companies Act, 2013.</p>
Steps taken to improve profitability	<p>Since the volume of business done is reflecting an upward trend, the Company is confident that it would achieve a decent profit margin which would be sustainable in nature.</p>
Expected increase in productivity and profits in measurable terms	<p>The Company is expecting an increase in productivity and profit in the next few years.</p>