

SUMMARY OF THE PROCEEDINGS OF THE 21ST ANNUAL GENERAL MEETING OF IDFC FIRST BHARAT LIMITED

The 21st Annual General Meeting ('AGM') of the Members of IDFC FIRST Bharat Limited (the 'Company') was held on Friday, July 26, 2024, at 11.00 a.m. (IST) through Video Conferencing ('VC') / Other Audio- Visual Means ('OAVM').

Mr. Praveen Kumar Vecha, MD & CEO welcomed all the Members present through VC / OAVM.

As the requisite quorum for the meeting was present, the Chairman declared that the meeting to be in order and started the proceedings of the meeting.

The Chairman introduced himself and the other members of the Board present at the meeting. The Chairman of Audit Committee, Nomination & Remuneration Committee, Risk Management Committee and the Corporate Social Responsibility Committee were present at the meeting. It was also conveyed to the members that the entire Board of Directors of the Company were attending this AGM. He further mentioned that the Board of the Company has been constituted in compliance with applicable regulations including the requirement under the Companies Act, 2013 (the Act).

The Company Secretary informed that the Statutory Auditor's Report and Secretarial Auditor's Report as prescribed under the Act, and other documents as mentioned in the Notice of the 21st Annual General Meeting were available in electronic mode for inspection of the Shareholders, upon their request. He further informed that as required under the Act, the Register of Directors and Key Managerial Personnel and their shareholding were made available in electronic mode and same was also made accessible for inspection by the Shareholders through electronic mode during the continuance of the Meeting. The Chairman informed the members that the Statutory Auditor's Report, Secretarial Auditor's Report, and the Registers required to be maintained under the provisions of the Act, were available for inspection of the members.

CHAIRMANS SPEECH

Mr. Pradeep Natrajan welcomed the members to the 21st AGM of the Company. He added that the trust and support from the members over the years had provided the management the necessary confidence to face the challenges and complexities and to deliver a consistent performance on a sustaining basis.

He further added that during the FY 2023-24, the Company had a healthy revenue growth of 31.26%, totaling INR 1015. 62Crore as against INR 773.72 Crore of previous year. In addition to the existing product base viz., Joint Group Liability Loan (JLG), Micro Housing Loan (MHL), Micro Enterprises Loan (MEL), Two-Wheeler Loan (TW), Housing Loan & Loan against Property (HL & LAP), Consumer Durable Loan (CD) and Personal Loan (PL) during the year, the Company has started distributing Commercial Vehicles Loans (CV) and Tractor Loans (TL) the Company has started distributing Car Loan products. During the FY ended March 31, 2024, the Board of Directors had declared interim dividend of Rs. 126/- per shares aggregating to Rs. 70,30,79,496/-

During the year under review the composition of the Board remains unaltered and in line with the requirements of the Companies Act, 2013. Mr. M. S. Sundara Rajan, the Part Time Non-Executive Chairman of the Company had tendered his resignation with effect from July 10, 2024, due to his pre commitments. In addition, the Holding Company had nominated 3 senior level executives as nominee directors in the Board of our Company during the period Jule to till date of this meeting. Subsequent to the resignation of Mr. M. S. Sundara Rajan, I was elected to the position of Part Time Non-Executive Chairman, at the Board Meeting held on July 15, 2024.

The Chairman appraised the members that, the Management would continue to invest in the most valuable assets of the Company i.e., 'people', who are the invisible assets in the Balance Sheet. He further added that the Management continued the training of employees and ensured that the Company would keep Portfolio at Risk (PAR) under control and also added that the collections were in line with acceptable industry standards.

Mr. Pradeep Natrajan also briefed the members that the Risk Management Committee of the Board is entrusted with the responsibilities to identify the risk associated with the industry also to formulate plans/ways to mitigate the said risks. Further, the Board has approved various policies viz., Fraud Risk Management Policy, Vigilance Policy, Operations Management Policy, Whistle Blower Policy, Business Continuity Management Policy, and Information Security Management System Policy, which will guide the management to identify and mitigate the risk associated with the Company on a day-to-day basis. The Committee meets frequently and reviews the potential risks faced by the Company and the ways to mitigate the same. Your Company has in place a Whistle Blower Policy, to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The Audit Committee of the Board on a quarterly basis review the Complaints received, redressed, objected, withdrawn, and dismissed, under the policy.

In his concluding remarks the Chairman assured the Members of the Company that the Board members are eminent people with rich intellect and experience, highest levels of commitment and integrity and have consistently guided the Company with strategic inputs as well as highest standards of Corporate Governance.

MD AND CEO SPEECH

Mr. Praveen Kumar Vecha presented to the members the operational performance of the Company for the year ended March 31, 2024. Presented to the members with the details of expansion made in the northern states and introduction of new products in such States.

The Company had fully complied with the provisions of the RBI's guidelines on the Micro Finance Business. During the year the company disbursed Rs. 17,500+ Crores for and on behalf of IDFC FIRST Bank, currently IFBL has 35 Million customers and the Assets managed by IFBL as on March 31, 2024, stood at Rs. 17,736 Crores. The share of non-group loans had been sturdily on a rise and as on March 31, 2024, it contributed 35% of the total loans disbursed. IFBL during the year also started distributing Car Loans. IFBL has a branch base of 634. The Management during the Q4 of FY 24 had amended the remuneration model from cost + model to Revenue sharing model. He also briefed the steps taken in the Corporate Social Responsibility initiatives.

NOTICE OF THE ANNUAL GENERAL MEETING

The Chairman informed that the Annual Report and Notice of this AGM was sent to shareholders earlier and with the consent of the shareholders present, the Chairman declared that the notice of 21st AGM dated June 05, 2024, sent to the members along with the explanatory statement was taken as read.

STATUTORY AUDITORS' REPORT

The Chairman informed that pursuant to the provisions of Section 145 of the Act, since the Statutory Auditors' Report, forming part of the Annual Report already circulated to the members was free from any qualifications, observations or comments on financial transactions or matters

which would have an adverse effect on the functioning of the Company, accordingly the said report was deemed taken as read out.

SECRETARIAL AUDITORS' REPORT

It was informed to the shareholders that there were no qualifications, observations or comments or other remarks in the Report of Secretarial Auditors. With the consent of the shareholders, the Secretarial Auditors' Report for the financial year ending March 31, 2024, was taken as read.

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

With the consent of the shareholders present, the Directors' report and Audited Financial Statement for the Financial Year ended March 31, 2024, were taken as read.

Thereafter, the Chairman invited the Members present to speak or ask questions relating to the performance of the Company and business to be transacted at the AGM and the same were answered to their satisfaction. The Meeting then proceeded to item wise disposal of the agenda.

ORDINARY BUSINESS

ITEM NO. 01:

TO RECEIVE, CONSIDER AND ADOPT THE AUDITED BALANCE SHEET OF THE COMPANY AS ON 31ST MARCH 2024, THE STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024 AND THE CASH FLOW STATEMENTS AND THE REPORTS OF THE AUDITORS' AND THE BOARD OF DIRECTORS THEREON.

The Chairman took up the first item of the agenda and with the consent of the members present, the audited financials consisting of the Balance Sheet as at March 31, 2024, Statement of Profit and Loss as on the said date, Cash Flow Statement, the Auditors Report and the Directors report for the financial year ended March 31, 2024, was taken as read.

Proposed by: Mr. Hari Kumar Iyer

Seconded by: Ms. Goretti Deabreo

The following resolution was proposed as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2024, including the audited Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss and Cash Flow Statements together with the Report of the Directors and the Auditors thereon as placed before this meeting be and is hereby approved and adopted."

The Chairman then put the resolution to vote and passed as an **ordinary resolution** unanimously by show of hands.

ITEM NO. 02:

RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION

Proposed by: Mr. Sathish Gaikwad

Seconded by: Mr. Ankit Singh

The following resolution was proposed as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Praveen Kumar Vecha (DIN: 09060904) who retire by rotation and is eligible for re-appointment be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

The Chairman then put the resolution to vote and passed as an **ordinary resolution** unanimously by show of hands.

ITEM NO. 03:

CONFIRMED THE PAYMENT OF 1ST AND 2ND INTERIM DIVIDEND PAID DURING FY24

Proposed by: Mr. Ankit Singh

Seconded by: Mr. Suresh Kumar

The following resolution was proposed as an **Ordinary Resolution**:

“RESOLVED THAT the 1st & 2nd interim dividend of Rs. 90/- and Rs. 36/- per equity share of Rs. 10/- each of the Company, declared by the Board of Directors during the month of June 2023 and September 2023, respectively, be and is hereby confirmed.”

The Chairman then put the resolution to vote and passed as an **ordinary resolution** unanimously by show of hands.

ITEM NO. 04:

SPECIAL BUSINESS

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

Proposed by: Mr. Ashish Singh

Seconded by: Mr. Hari Kumar Iyer

The following resolution was proposed 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 2024-25 on the following terms and conditions:

Fixed Pay	Rs. 2,14,24,500/- per annum. (Rupees Two Crore, Fourteen Lakh Twenty Four Thousand five Hundred only)
Annual Bonus	As may be decided at the end of the Financial Year, by the Board based on the recommendations of the NRC and performance of

	the Company during the year, subject to shareholder's approval at subsequent general meeting.
Perquisites	<p>Free use of Company's Car: The MD and CEO would be eligible for usage of Company owned car for official purposes.</p> <p>Others: As per the policy of the Company.</p>

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."

The Chairman then put the resolution to vote and passed as a **Special Resolution** unanimously by show of hands.

ITEM NO. 05:

APPROVED THE APPOINTMENT OF MR. RAJESH KRISHNAMOORTHY (DIN: 06778689) AS NOMINEE DIRECTOR

Proposed by: Mr. Ankit Singh

Seconded by: Mr. Suresh Kumar

The following resolution was proposed as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Rajesh Krishnamoorthy (DIN: 06778689), who was appointed as an Additional Director (in the category of Nominee category) w.e.f. June 05, 2024, and who holds office as such upto the date of this Annual General Meeting and in

respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature as Director, be and is hereby appointed as an Nominee Director of the Company and liable to retire by rotation.

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.”

The Chairman then put the resolution to vote and passed as an **Ordinary Resolution** unanimously by show of hands.

ITEM NO. 06:

APPROVED THE APPOINTMENT OF MRS. SHIKHA HORA KAMDAR (DIN: 10627935) AS NOMINEE DIRECTOR.

Proposed by: Mr. Ankit Singh

Seconded by: Mr. Suresh Kumar

The following resolution was proposed as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Shikha Hora Kamdar (DIN: 10627935), who was appointed as an Additional Director (in the Category of Nominee category) w.e.f. June 05, 2024, and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature as a Director, be and is hereby appointed as an Nominee Director of the Company and liable to retire by rotation.

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.”

The Chairman then put the resolution to vote and passed as an **Ordinary Resolution** unanimously by show of hands.

Being an interested person in the agenda item Mr. Pradeep Natrajan had step down, temporarily as Chairman during consideration of this particular item alone and request members to elect one among themselves as Chair for this particular item alone. Members elected Mr. Ashish Singh as the Chairman and Mr. Ashish had kindly consented to Chair the Meeting.

ITEM NO. 07:

APPROVED THE APPOINTMENT OF MR. PRADEEP NATRAJAN (DIN: 10499651) AS NOMINEE DIRECTOR.

Proposed by: Mr. Ankit Singh

Seconded by: Mr. Suresh Kumar

The following resolution was proposed as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-

enactment(s) thereof for the time being in force), Mr. Pradeep Natrajan (DIN:10499651) who was appointed as an Additional Director (in the Category of Nominee category) w.e.f. July 15, 2024, and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature as a Director, be and is hereby appointed as an Nominee Director of the Company and liable to retire by rotation.

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.”

The Chairman then put the resolution to vote and passed as an **Ordinary Resolution** unanimously by show of hands.

Since the item in which Mr. Pradeep Natrajan was interested got transacted Mr. Ashish Singh stepped down from the Chair and requested Mr. Pradeep Natrajan to Chair the Meeting.

VOTE OF THANKS

Thereafter, the Mr. Praveen Kumar Vecha placed on record his thanks to all the Shareholders, Customers, Business Correspondents, Vendors, Clients, Financial Institutions, the Government of India, the Reserve Bank of India, Ministry of Corporate Affairs, and other regulatory authorities for having reposed their confidence in the Company. He also offered his sincere thanks to all for devoting their valuable time for joining this meeting through video-conferencing or other audio-visual means, and for giving him an opportunity to virtually connect with all.

The Chairman thanked the members for their valuable participation and declared the meeting concluded.

The Meeting concluded at 11:30 a.m.