

## SUMMARY OF THE PROCEEDINGS OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING OF IDFC FIRST BHARAT LIMITED

The 17<sup>th</sup> Annual General Meeting ('AGM') of the Members of IDFC FIRST Bharat Limited (the 'Company') was held on Wednesday, July 29, 2020 at 11.00 a.m. (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM').

The MD and 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 and informed that Dr. J Sadakkadullah and Mr. N. Seshadri Independent Directors could not able to attend this AGM due to their personal commitments/exigencies. The Chairman of Audit Committee, Nomination & Remuneration Committee were present at the meeting. He mentioned that the Board of the Company has been constituted in compliance with applicable regulations including the requirement under the Companies Act 2013.

The Chairman mentioned that due to COVID-19 pandemic and consequent lockdown restrictions and keeping everyone's safety in mind AGM was being conducted through VC / OAVM, in compliance with relevant circulars issued by Ministry of Corporate Affairs ('MCA').

The Chairman informed the members that the Company offers Independent Business Correspondent services to the IDFC FIRST Bank which happens to be the parent company of the company. He added that this year is extremely challenging for the banks in India. He also referred to the steps taken by the Central Government under the ***Athma Nirmar Bharat*** to revive the economy.

He appraised the members about the change in name of the Company from IDFC Bharat Limited to IDFC FIRST Bharat Limited with effect from April 29, 2020. IDFC FIRST Bank had extended new products like Micro Housing Loan, Two-Wheeler Loan and Loan against Property to our Company as their Business Correspondent and we had successfully implemented the same at the field. He also briefed about the expansion in number of branches, in the employee base along with the product base has resulted in the increase in volumes achieved during the year.

The Chairman informed that during the year under review the board was further strengthened by the appointment of Mr. Narasimhan Seshadri as an additional Director in the category of Independent Director and the said appointment was regularised at the 16<sup>th</sup> Annual General Meeting. He apprised the fact that the Board is properly constituted and has an optimum combination of Executive, Non-Executive directors as mandated by the Companies Act, 2013. He further presented that during the year Mr. A. Krishanmoorthy and Dr. J. Sadakkadullah were reappointed as Independent Directors of the Company and the members approved the said proposal at the Extra Ordinary General Meeting of the Company.

The Chairman updated that the Company had complied with all the applicable Secretarial Standards issued by ICSI and the Company is committed to the best Corporate Governance practices followed at the industry. Adequate internal control mechanism is there in place and are in turn checked and verified by

the Internal Auditors. There is no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company i.e. March 31, 2020 and the date of the Board Meeting in which the Directors' Report was approved i.e. May 02, 2020. There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company. Hence, disclosure under section 134(3)(q) read with Rule 8(5)(vii) of Companies (Accounts) Rules 2014 is not required.

The Chairman further informed that there have been no instances of fraud reported by the Auditors under Section 143(12) of the Act. However, the Risk Control and Review department of the Company has identified 49 instances of Frauds aggregating to Rs. 66,86,326/-. Necessary actions including Disciplinary Actions have been taken in compliance with the Policies of the Company. Further, the Management has recovered Rs. 30,88,680/- by March 31, 2020

The Chairman also added that the company is operating efficiently, and we can expect to reach the normalcy in the coming days.

The Company Secretary then invited MD and CEO to address the members.

Mr. Arjun Muralidharan presented to the members the operational performance of the Company during the year ended March 31, 2020. During the year the portfolio size grew from INR 3,730 Crores to INR 5,891 Crores which is an 58% growth on a year over year basis and the Assets under management grew from INR 4,989 to INR 6,989 crores which translates to 40% growth from the previous year figures. The New products launched during the year was received well at the customers end. The portfolio quality is good when compared to the industry average.

The Chairman mentioned 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 17<sup>th</sup> Annual General Meeting (AGM) dated 02.05.2020 sent to the members along with the explanatory statement was taken as read.

The Chairman informed that pursuant to the provisions of Section 145 of the Companies Act, 2013, 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 Bank, accordingly the said report was deemed taken as read out.

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, 2019 was taken as read.

With the consent of the shareholders present, the Directors' report and Audited Financial Statement for the Financial Year ended March 31, 2019 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 Annual General Meeting 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 31<sup>ST</sup> MARCH 2020, THE STATEMENT OF PROFIT AND LOSS FOR THE FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020 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, 2020, 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, 2020 was taken as read.

Proposed by: Mr. Satish Gaikwad

Seconded by: Mr. Harikumar Iyer

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, 2020 including the audited Balance Sheet as at March 31, 2020 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. Ashish Singh

Seconded by: Mr. Pankaj Sanklecha

The following resolution was proposed as an Ordinary Resolution;

**“RESOLVED THAT** Mr. Arjun Muralidharan (DIN: 02726409), a Director of the Company, who retires by rotation and being eligible offered himself for reappointment in accordance with the applicable provisions of the Companies Act, 2013, be and is hereby re-appointed as Director of the Company.”

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

## SPECIAL BUSINESS

### ITEM NO. 03:

#### **ANNUAL BONUS PAYABLE TO MR. ARJUN MURALIDHARAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY FOR THE FINANCIAL YEAR 2019-20**

Proposed by: Ms. Goretta Deabreo

Seconded by: Mr. Harikumar Iyer

The following resolution was proposed as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, 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 Nomination & Remuneration Committee and approval of Board of Directors of the Company, consent of the Members be and is hereby accorded for payment of Annual Bonus of Rs. 25,71,250/- (Rupees Twenty-Five Lakhs Seventy-One Thousand Two hundred and Fifty only) to Mr. Arjun Muralidharan (DIN 02726409), Managing Director & Chief Executive Officer of the Company for the financial year 2019-20."

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company and / or Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to execute any agreements, documents or instructions as may be required and to settle any question, difficulty or doubt that may arise in the said regard."

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

### ITEM NO. 04:

#### **REMUNERATION PAYABLE TO MR. ARJUN MURALIDHARAN, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY FOR THE FINANCIAL YEAR 2020-21**

Proposed by: Mr. Satish Gaikwad

Seconded by: Mr. Ashish Singh

The following resolution was proposed as a **Special Resolution**;

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other 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 Nomination & Remuneration Committee and approval of Board of Directors of the Company, consent of the Members be and is hereby accorded for revision in remuneration payable to Mr. Arjun Muralidharan (DIN - 02726409) the Managing Director and Chief Executive Officer of the Company with effect from April 1, 2020 detailed as under:

<b>i. Term:</b>	From October 13, 2016 up to October 12, 2021 as the Managing Director and Chief Executive Officer of the Company.
<b>ii. Annual Fixed Compensation</b>	Not Exceeding Rs.10,285,000/- per annum.
<b>iii. Annual Bonus</b>	Will be decided by the Board/ Nomination and Remuneration Committee at the end of the financial year based on performance.
<b>iv. Long Term Value Creation Plan 2019</b> a. Long Term Incentive b. Performance Kicker	Rs. 33,33,334/-  Not exceeding Rs. 2,00,00,000/-
<b>v. Perquisites &amp; Allowances</b>	As per the policy of the Company and as may be approved by the Board of Directors after discussion with Mr. Arjun Muralidharan.

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

**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 decide the actual amount of remuneration (salary, perquisites long term value creation plan 2019 and bonus) payable to Mr. Arjun Muralidharan and alter, modify, vary or increase the same, from time to time within the aforesaid limits, 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 herein above, shall be paid to Mr. Arjun Muralidharan as minimum remuneration read with the applicable provisions of Schedule V of the Companies Act, 2013, and rules made thereunder.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company and/ or Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to execute any agreements, documents or instructions as may be required and to settle any question, difficulty or doubt that may arise in the said regard."

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

Thereafter, the Mr. Arjun Muralidharan 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 placed on record the valuable inputs, guidance, suggestions from Mr. V. Vaidyanathan the MD and CEO of the IDFC FIRST Bank further the efforts of Mr. Ashish Singh deserve a special appreciation.

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

The Meeting concluded at 11:35 a.m.

