



IDFC FIRST Bharat Limited

(formerly IDFC 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 Seventeenth Annual General Meeting ('AGM') of the Members of IDFC FIRST Bharat Limited will be held on Wednesday, July 29, 2020 at 11:00 a.m. at registered office of the Company situated at S.A.N. Complex, No. 04 Williams Road, Cantonment, Trichy 620 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as on March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the for the financial year ended March 31, 2020 and the Reports of the Statutory Auditors' and the Board of Directors there on.
2. To appoint a director in place of Mr. Arjun Muralidharan (DIN: 02726409), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

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 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."

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

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 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:

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

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

**BOBY XAVIER
COMPNAV SECRETARY**

**Place : Trichy
Date : May 02, 2020**

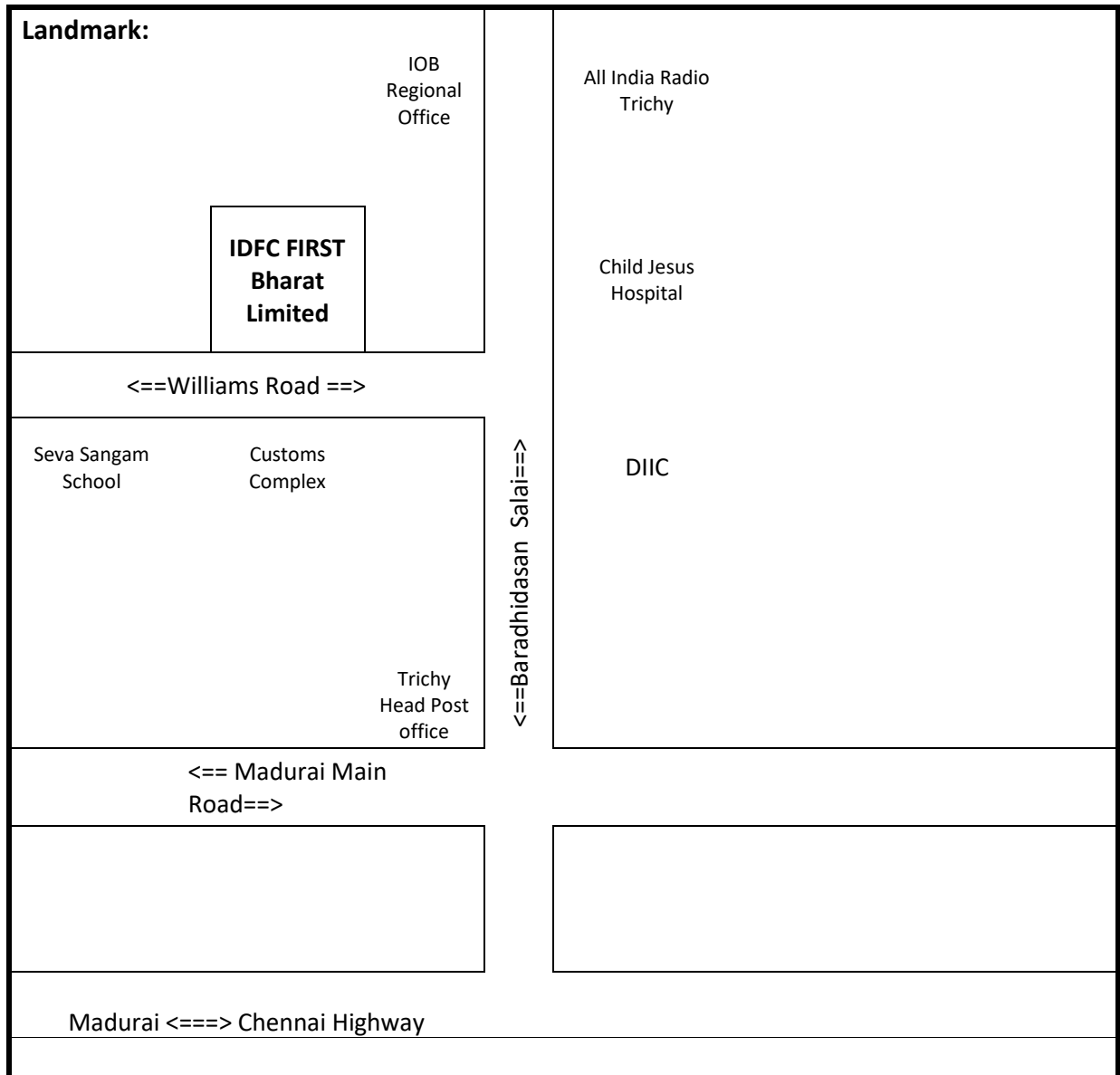
NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company.
2. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The meeting can be convened at a shorter notice, after obtaining the written consent, from the majority in number of Members entitled to vote and who represent not less than 95% of such part of the paid-up share capital of the Company as gives a right to vote at the meeting pursuant to provisions of Section 101 of Companies Act, 2013, effective for the time being in force.
5. 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.
6. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. 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.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays and Sundays (including Public Holidays), during business hours i.e., from 11:00 a.m. to 4:00 p.m. up to the date of the Meeting.
9. Members/Proxies are requested to bring the Attendance Slip(s) duly filled in at the Meeting venue.

10. The route map for the venue of the meeting is as below:

Meeting Venue: S.A.N. Complex, No. 04 Williams Road,
Cantonment, Trichy - 630001

Meeting Date and Time: July 29, 2020, 11:00 a.m.



Explanatory Statement under Section 102 of the Companies Act, 2013,

ITEM NO. 3

The provisions of Section 188 of the Companies Act, 2013, which governs the transaction with a related party, mandates the prior approval of the Audit Committee, Board of Directors and shareholders for the payments made to the Key Managerial Personal of the Company. However, if the transactions are entered without obtaining the consent of the Board /Members at a General Meeting, such transactions shall be ratified by the Board or, member as the case may be, within three months from the date on which such contract or arrangement was entered into, such contract or arrangement.

Mr. Arjun Muralidharan, was the Chief Executive Officer of the Company until October 12, 2016 and consequent to the takeover of 100% paid-up equity share capital of the Company by M/s. IDFC FIRST Bank Limited (formerly known as IDFC Bank Limited), the Board of Directors of the Company appointed Mr. Arjun Muralidharan, as the Managing Director & Chief Executive Officer of the Company for a period of 5 Years with effect from October 13, 2016.

Further, the Members of the Company, at the Extraordinary General Meeting held on October 13, 2016, approved appointment of Mr. Arjun Muralidharan (DIN: 02726409) as the Managing Director & Chief Executive Officer of the Company for a period of 5 years with effect from October 13, 2016 to October 12, 2021, at a fixed remuneration in the range of Rs.80 Lakhs to Rs. 200 Lakhs (Rupees Eighty Lakhs to Rupees Two Hundred Lakhs) per annum.

Members at the 16th AGM by passing a Special Resolution has approved the remuneration payable to Mr. Arjun Muralidharan consist of two components viz., Annual Fixed Compensation and Annual Bonus. The Members has approved the Annual Fixed Compensation and authorized the Board and / or NRC to decide the Annual Bonus based on the performance of the Company.

Considering the increase in sales figures, and profitability of the Company the Board of Directors of the Company after taking into account the recommendations of the Audit Committee and the Nomination and Remuneration Committee of the Company in this regard had approved the Rs. 25,71,250/- (Rupees Twenty-Five Lakhs Seventy-One Thousand Two hundred and Fifty only) as Annual Bonus payable to the him for the financial year ended March 31, 2020.

Mr. Arjun Muralidharan is working in his 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.

Brief profile and other details of Mr. Arjun Muralidharan 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.

The Board of Directors recommend passing of the **Special Resolution** as set out in Item No. 3 of this Notice.

Mr. Arjun Muralidharan is not related with any other Director, KMP and/ or their relatives.

Mr. Arjun Muralidharan may be deemed to be concerned or interested in the resolution relating to his 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.

ITEM NO. 4

The provisions of Section 188 of the Companies Act, 2013, which governs the transaction with a related party, mandates the prior approval of the Audit Committee, Board of Directors and shareholders for the payments made to the Key Managerial Personal of the Company.

Mr. Arjun Muralidharan (DIN: 02726409), was the Chief Executive Officer of the Company until October 12, 2016 and consequent to the takeover of 100% paid-up equity share capital of the Company by M/s. IDFC FIRST Bank Limited (*formerly known as IDFC Bank Limited*), the Board of Directors of the Company appointed Mr. Arjun Muralidharan, as the Managing Director & Chief Executive Officer of the Company for a period of 5 Years with effect from October 13, 2016.

Further, the Members of the Company, at the Extraordinary General Meeting held on October 13, 2016 approved appointment of Mr. Arjun Muralidharan as the Managing Director & Chief Executive Officer of the Company for a period of 5 years with effect from October 13, 2016 to October 12, 2021, at a fixed remuneration in the range of Rs. 80 Lakhs to Rs. 200 Lakhs (Rupees Eighty Lakhs to Rupees Two Hundred Lakhs) per annum.

Considering the responsibilities handled by the Managing Director & Chief Executive Officer, the NRC and the Board of the Directors, subject to the approval of the Members, recommend an increment in the remuneration of Mr. Arjun Muralidharan with effect from April 1, 2020 as under:

i. Term:	From October 13, 2016 up to October 12, 2021 as the Managing Director and Chief Executive Officer of the Company.
ii. Annual Fixed Compensation	Not Exceeding Rs.10,285,000/- per annum.
iii. Annual Bonus	Will be decided by the Board/ Nomination and Remuneration Committee at the end of the financial year based on performance.
iv. Long Term Value Creation Plan 2019 a. Long Term Incentive b. Performance Kicker	Rs. 33,33,333/- Not exceeding Rs. 2,00,00,000/-
v. Perquisites & Allowances	As per the policy of the Company and as may be approved by the Board of Directors after discussion with Mr. Arjun Muralidharan.

Mr. Arjun Muralidharan 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.

Brief profile and other details of Mr. Arjun Muralidharan 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.

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

Mr. Arjun Muralidharan is not related with any other Director, KMP and/ or their relatives.

Mr. Arjun Muralidharan may be deemed to be concerned or interested in the resolution relating to his 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.

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

**BOBY XAVIER
COMPANY SECRETARY**

Place : Trichy

Date : May 02, 2020

Director Details		Arjun Muralidharan	
Date of Birth	16-05-1979		
Age	41		
Date of First Appointment on the Board	13-10-2016		
Brief resume, qualification, experiences and nature of expertise in specific functional areas	<p>Mr. Arjun Muralidharan has completed his Bachelor in Technology - Chemical Engineering from the prestigious Indian Institute of Technology, Chennai during the year 2000, along with a Masters in Science in Engineering from the famous University of California, United States of America in the year 2001 and also completed his Management Technology Program in the same year from the same University of California, United States of America.</p> <p>Being a Technocrat, his innovative ideas on usage of state of the art technology in the Company and ensuring the fact that the same is implemented from the Board level till grass root level of operations of the Company, has received an applause from the entire Board of Directors on tasting the fruits of the said implementation.</p> <p>Being a Managing Director and Chief Executive Officer he is answerable to the Board of Directors of the Company and also to the Members of the Company, for any failure in achieving the Annual Operating Plan, with proper justifications and proposed course of action to overcome the said failure</p>		
No. of Board Meetings attended during financial year 2019-20	5/5		
Directorships held in other companies (except Foreign Companies)	Nil		
Memberships / Chairmanships of Committees of other Boards (except Foreign Companies)	Nil		
Remuneration last drawn	Fixed Salary	Rs. 102,84,996	
	Bonus	Rs. 25,71,250	
	Total		
Details of Remuneration sought to be paid	Annual Fixed Compensation	Rs. 102,84,996	
	Long Term Value Creation Plan 2019		
	Long Term Incentive Performance Kicker	Rs. 33,33,333	Not exceeding Rs.2,00,00,000

Director Details	Arjun Muralidharan	
	Annual Bonus	As may be determined by NRC and/or Board
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	Arjun Muralidharan	
<u>I. General Information's</u>		
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. The Company is a pioneer in this kind of business	
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. 375.69 Crs.
	Net Profit as per Statement P&L (After Tax)	Rs. 19.18 Crs.
Foreign investments or collaborations, if any	Nil	
<u>II. Information about the appointee</u>		
Background details	Age, qualifications & Experience: 40, He holds a Bachelor's degree in chemical engineering from Indian Institute of Technology - Madras and a Master's degree in Industrial Engineering and Operations Research from University of California, Berkeley. He is a SIX SIGMA quality Green Belt Certified professional from GE. He has over 10 years of experience in development and Microfinance sector.	

Past Remuneration	Annual Fixed Compensation: Not Exceeding Rs. 1,02,84,996/-P.A.
	Annual Bonus : As may be determined by the NRC and /or Board
	Perquisites and Allowances: As per the policy of the Company.
Recognition or awards	Mr. Arjun Muralidharan was recognized in various ways throughout his career. Refer Brief profile in Exhibit to Notice.
Job profile and his suitability	Kindly refer Exhibit to Notice
Proposed Remuneration	Annual Fixed Compensation: Not Exceeding Rs./-P.A.
	Annual Bonus : As may be determined by the NRC and /or Board
	Long Term Value Creation Plan 2019 Long Term Incentive Rs. 33,33,333/- Performance Kicker Not Exceeding Rs. 2,00,00,000/-
	Perquisites and Allowances: As per the policy of the Company
Comparative remuneration profile with respect to industry	Since the Company is the pioneer in the said field and due the absence of direct competitors in the said field, disclosure in this regard is not applicable.
Pecuniary Relationship with the Company	Mr. Arjun Muralidharan has no pecuniary relationship with the Company directly or indirectly except to the position he hold as the Managing Director and Chief Executive Officer of the Company.
III. Other information's	
Reasons for inadequate profit	<p>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.</p> <p>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 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	Since the volume of business done is reflecting an upward trend we are confident that the company achieves a decent profit margin which will be sustainable in nature.
Expected increase in productivity and profits in measurable terms	The Company is expecting an increase in productivity and profit in the next two years.



IDFC FIRST BHARAT LIMITED

(Formerly IDFC 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

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65929TN2003PLC050856
Name of the Company : IDFC FIRST Bharat Limited
Registered Office : S.A.N. Complex, No. 04 Williams Road, Cantonment, Trichy - 620001.

Name of the Member(s):
Registered address:
E-mail Id:
Folio No.:

I/ We, being the Member of _____ equity shares of IDFC FIRST Bharat Limited, hereby appoint:

1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____; or failing him

2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____.

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of IDFC FIRST Bharat Limited, to be held onand at any adjournment thereof in respect of such resolutions as are indicated below:

Resol. No	Description	Type of Resolution	Optional	
			For	Against
ORDINARY BUSINESS				
1	To receive, consider and adopt the Audited Balance Sheet of the Company as on March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the for the financial year ended March 31, 2020 and the Reports of the Statutory Auditors' and the Board of Directors thereon.	Ordinary		
2	To appoint a director in place of Mr. Arjun Muralidharan, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
SPECIAL BUSINESS				
3	Approval for payment of Annual Bonus to Mr. Arjun Muralidharan, Managing Director & Chief Executive Officer (DIN: 02726409) of the Company, for the financial year 2018-19.	Special		
4	Approval for payment of remuneration to Mr. Arjun Muralidharan, Managing Director & Chief Executive Officer (DIN: 02726409) of the Company.	Special		

Signed this _____ day of _____ 2020.

Affix Revenue Stamp

Signature of shareholder(s)

Signature of Proxy holder(s)

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- 2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the AGM**