



May 10, 2024

**The Manager – Listing Department
National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor,
Bandra-Kurla-Complex,
Bandra (East), Mumbai - 400 051
NSE symbol: IDFC

**The Manager – Listing Department
BSE Limited**
2nd Floor, P.J. Towers,
Dalal Street,
Mumbai - 400 001
BSE Scrip Code: 532659

Sub: Annual Secretarial Compliance Report for the financial year ended March 31, 2024

Dear Sir/Madam,

Pursuant to the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, please find enclosed herewith Annual Secretarial Compliance Report of IDFC Limited issued by Bhandari & Associates Company Secretaries for the financial year ended March 31, 2024.

Kindly take the aforesaid document on record.

Thanking you,

Yours faithfully,
For IDFC Limited



**Shivangi Mistry
Company Secretary**

Encl.: A/a

B&A
BHANDARI & ASSOCIATES
COMPANY SECRETARIES

**Secretarial Compliance Report of IDFC Limited
for the year ended March 31, 2024**

*[Pursuant to Regulation 24A of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]*

We, Bhandari & Associates, Company Secretaries have examined:

- a) all the documents and records made available to us and explanation provided by **IDFC Limited** ('the listed entity'),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **March 31, 2024** ('Review Period') in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ('SCRA'), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('SEBI');

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'];
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018#;
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021#;
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client



- i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
and circulars/ guidelines issued thereunder;

The Regulations or Guidelines, as the case may be were not applicable to the listed entity for the Review Period.

and based on the above examination, we hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr No	Compliance Requirement (Regulations/ circulars /guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	The Board of Directors of the top 1000 listed entities with effect from April 1, 2019 and the top 2000 listed entities with effect from April 1, 2020 shall comprise of not less than six directors.	Regulation 17(1)(c) of the Listing Regulations	The listed entity did not have requisite number of directors on its Board.	National Stock Exchange Limited (NSE) and BSE Limited (BSE)	Fine	The Board of Directors comprised of five directors from April 01, 2023 to July 16, 2023 and from August 18, 2023 to March 31, 2024.	Rs. 8,02,400 /- each by NSE and BSE	The fine remains unpaid and the listed entity has made representation to NSE and BSE seeking waiver.	Due to completion of tenure of Mr. Ajay Sondhi, the number of Directors on the Board of the listed entity reduced from 6 to 5. The focus of the Board and entire management team (KMPs) is to unlock value for the listed entity's shareholders. The listed entity is in transition mode and the merger process with IDFC FIRST Bank will be completed within next 3-4 months. Given the practical situation that the listed entity is only NBFC-I and does not have any business, we are facing difficulty in appointing new director. In this regard, we have submitted our representation to BSE and NSE vide letter dated	None



									February 13, 2023, February 27, 2023 and February 28, 2023, email dated April 06, 2023, February 26, 2024, March 11, 2024 and March 12, 2024 and March 20, 2024 to SEBI seeking waiver from the requirement of having 6 directors. The matter is under their consideration.	
2.	The meetings of the Risk Management & IT Strategy Committee (RMC) shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.	Regulation 21(3C) of Listing Regulations	The gap between two consecutive meetings of RMC exceeded one hundred and eighty days.	NSE	Clarification email received from NSE.	The RMC convened its meetings on May 04, 2023 and November 03, 2023 i.e. at gap of one hundred and eighty three days.	None	None	The listed entity does not have any business operations. On January 08, 2024, joint application has been filed with NCLT, Chennai for merger. Listed entity will cease to exist post merger with IDFC FIRST Bank in next 3-4 months. Since listed entity is NBFC-I and has no business operation, there were no discussion needed pertaining to risk. In order to comply with Listing Regulations requirement, RMC meeting held on November 03, 2023. Therefore, gap between two consecutive RMC meetings is 183 days instead of 180 days for quarter ended December 31, 2023.	None



b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr No	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1.	The composition of board of directors was not as per Regulation 17(l)(c) of Listing Regulations.	March 31, 2023	Regulation 17(1)(c) of the Listing Regulations: The board of directors of the top 1000 listed entities with effect from April 1, 2019 and the top 2000 listed entities with effect from April 1, 2020 shall comprise of not less than six directors.	Listed entity did not have requisite number of directors on its Board during the period from August 16, 2022 to August 23, 2022 and from October 01, 2022 to March 31, 2023.	Listed entity is a professionally managed and publicly held company with no promoter shareholding. The Government of India is the single largest shareholder of listed entity with 16.34% (sixteen -point three four percent) shareholding. The listed entity is in transition mode and received all regulatory approvals from statutory authorities including BSE, NSE and RBI for merger with IDFC FIRST Bank. The listed entity does not have any business operations. On January 08, 2024, joint application has been filed with NCLT, Chennai for merger. Listed entity will cease to exist post merger with IDFC FIRST Bank in next 3-4 months. , we are facing difficulty in appointing new director. Also, suitable representation is made to BSE / NSE regarding the same.However, we're trying our best to appoint new director.	None
2.	The composition of Risk Management & IT Strategy Committee (RMC) was not as per Regulation 21(2) of Listing Regulations.	March 31, 2023	Regulation 21(2) of Listing Regulations: The RMC shall have minimum three members with majority of them being members of the board of directors, including at least one independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the RMC shall comprise independent directors.	The RMC did not have requisite number of members during the period from August 16, 2022 to August 23, 2022	The Composition of RMC comprises of 3 Directors from April 01, 2023 to March 31, 2024 which is in line with Regulation 21(2) of Listing Regulations.	None



3.	The gap between two meetings of RMC was not as per Regulation 21(3C) of Listing Regulations	March 31, 2023	Regulation 21(3C) of Listing Regulations: The meetings of the RMC shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.	The gap between two consecutive meetings of RMC held on May 6, 2022 and November 11, 2022 exceeded one hundred and eighty days.	Noted.	None
4.	The composition of board of directors was not as per Regulation 17(1)(c) of Listing Regulations.	March 31, 2022	Regulation 17(1)(c) of the Listing Regulations: The board of directors of the top 1000 listed entities with effect from April 1, 2019 and the top 2000 listed entities with effect from April 1, 2020 shall comprise of not less than six directors.	The Listed Entity did not have requisite number of directors on its Board during the period from March 26, 2021 to May 24, 2021 and September 23, 2021 to November 08, 2021.	The second term of Mr. Ajay Sondhi as an Independent Director ended at closure of business hours on August 17, 2023. Due to completion of tenure of Mr. Sondhi, the no of Directors got reduced from 6 to 5. On January 08, 2024, joint application has been filed with Chennai NCLT for merger. NCLT vide their order dated March 22, 2024 has directed to hold equity shareholders meeting of listed entity on May 17, 2024. listed entity will cease to exist in next 3-4 months. It is difficult to find Independent Director for short period of the time. Also, suitable representation is made to BSE / NSE regarding the same.	None

c) We hereby report that, during the Review Period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations /Remarks by PCS
1.	<u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.	Yes	-
2.	<u>Adoption and timely updation of the Policies:</u> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity.	Yes	-



	<ul style="list-style-type: none"> All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI. 		
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> The listed entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) of the Listing Regulations are accurate and specific which re-directs to the relevant document(s)/ section of the website. 	Yes	-
4.	<u>Disqualification of Director:</u> None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.	Yes	-
5.	<u>Details related to Subsidiaries of listed entity:</u> (a) Identification of material subsidiary companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries.	Yes	-
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the Listing Regulations.	Yes	-
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in Listing Regulations.	Yes	-
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation	Yes	-



	whether the transactions were subsequently approved/ratified/rejected by the Audit committee.		
9.	<p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder.</p>	No	Disclosure pertaining to imposition of fine of Rs. 8,02,400/- by NSE and BSE was not made by the listed entity to the Stock Exchanges. Suitable representation has been made by listed entity to BSE, NSE and SEBI for seeking waiver from the requirement of having 6 directors.
10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	-
11.	<p><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></p> <p>The actions taken against the listed entity/its promoter/directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in last column.</p>	Yes	Refer details of action taken by BSE and NSE in point (a) above.
12.	<p><u>Resignation of statutory auditors from the listed entity or its material subsidiaries:</u></p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the Listing Regulations by listed entity.</p>	NA	There was no resignation of statutory auditors from the listed entity or its material subsidiary during the Review Period.
13.	<p><u>No additional non-compliances observed:</u></p> <p>No additional non-compliance observed for any of the SEBI regulation/circular/guidance note etc. except as reported above.</p>	Yes	-

Assumption and Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.



2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the Listing Regulations and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Bhandari & Associates

Company Secretaries

Unique Identification No.: P1981MH043700

Peer Review Certificate No.: 611/2019

Manisha

Manisha Maheshwari

Partner

ACS No.: 30224; C P No.: 11031

Mumbai | May 07, 2024

ICSI UDIN: A030224F000322835

