

Annex to Directors' Report - 1

DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided below:

Ratio of remuneration of each director to the median employees' remuneration for FY 2020

Name	Designation	Ratio of remuneration to the median employees' remuneration
Mr. Deepak S. Parekh	Chairman	20
Mr. Nasser Munjee	Independent Director	4
Dr. J. J. Irani	Independent Director	4
Mr. U. K. Sinha	Independent Director	4
Mr. Jalaj Dani	Independent Director	4
Dr. Bhaskar Ghosh	Independent Director	4
Ms. Ireena Vittal	Independent Director	4
Mr. V. Srinivasa Rangan	Executive Director	82
Ms. Renu Sud Karnad	Managing Director	114
Mr. Keki M. Mistry	Vice Chairman & CEO	127

Percentage increase in the remuneration of each director and key managerial personnel in FY 2020

Key Managerial Personnel

Name	Designation	Increase in Remuneration* (%)
Mr. Keki M. Mistry	Vice Chairman & CEO	6
Ms. Renu Sud Karnad	Managing Director	4
Mr. V. Srinivasa Rangan	Executive Director	4
Mr. Ajay Agarwal	Company Secretary	96*

* One-time recalibration in remuneration effected during the year under review.

Indicates increase in remuneration in FY 2020.

On account of the uncertainties due to the COVID-19 pandemic, the resultant lockdown and the impact it may have on the operations of the Corporation, there has been no increase in remuneration of managerial personnel in FY 2021.

Non-Executive/Independent Directors

During FY 2020, the commission paid to each independent director was ₹ 35 lac compared to ₹ 25 lac in the previous year. This was commensurate with their increased responsibilities and time requirements on the part of independent directors on issues pertaining to the Corporation. The commission payable for FY 2020 is ₹ 35 lac, which is same as last year. The Chairman was paid a commission of ₹ 2.40 crore, which was the same as the previous year. During the year, there was no change in the sitting fees paid to the non-executive directors for attending the board/committee meetings.

Further details are provided in Form No. MGT- 9.

Number of permanent employees

HDFC had 3,095 employees as of March 31, 2020.

Percentage increase in the median remuneration of employees in FY 2020

The percentage increase in the median remuneration of employees in FY 2020 stood at 12.5%.

Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration

The average increase in the remuneration of all employees was 11% in FY 2020. The average increase in remuneration of whole-time directors stood at 5% and that of other employees was 11%.

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Corporation. Further, the criteria for increase in remuneration of non-managerial personnel is based on an internal evaluation of Key Result Areas (KRAs), while the increase in remuneration of the managerial personnel is also based on the remuneration policy as recommended by the Nomination and Remuneration Committee of Directors and approved by the Board of Directors.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Corporation.

The remuneration of key managerial personnel is based on the overall performance of the Corporation.