

HDFC Bank Limited

Regd. Office : HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013

Dear Member(s)

POSTAL BALLOT NOTICE

(Pursuant to Section 192A(2) of the Companies Act, 1956)

NOTICE is hereby given that the following proposed resolutions are circulated for approval of the Members of HDFC Bank Limited (the "Bank") to be accorded by Postal Ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, as amended and replaced from time to time.

Consent of the members is being sought for the resolutions proposed as follows :

1 To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 1956 and the Banking Regulation Act, 1949 or any statutory re-enactments thereof and subject to the approvals, as may be necessary from the Reserve Bank of India (RBI) and other concerned authorities or bodies and subject to the conditions as may be prescribed by any of them while granting such approvals, Mr. Paresh Sukthankar who is presently appointed as director till 11th October, 2016 and designated as Executive Director, be and is hereby appointed as a director designated as Deputy Managing Director of the Bank for a period of 3 (Three) years with effect from 24th December, 2013 to 23rd December, 2016 upon such terms and conditions including remuneration as set out in the draft agreement initiated by the Company Secretary for the purpose of identification, which agreement is specifically approved and sanctioned with authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include the Compensation Committee or any other Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or agreement including authority, from time to time, to determine the amount of basic salary and allowances as also the type of perquisites and other benefits payable to Mr. Paresh Sukthankar as may be agreed to between the Board and Mr. Paresh Sukthankar; Provided however that the basic salary and allowances payable to Mr. Paresh Sukthankar shall not exceed the limits specified in the said agreement;

RESOLVED FURTHER THAT in the absence or inadequacy of profit in any financial year, the aforesaid remuneration shall be paid to Mr. Paresh Sukthankar as minimum remuneration;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Bank, to give effect to this resolution."

2. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 1956 and the Banking Regulation Act, 1949 or any statutory re-enactments thereof and subject to the approvals, as may be necessary from the Reserve Bank of India (RBI) and other concerned authorities or bodies and subject to the conditions as may be prescribed by any of them while granting such approvals, Mr. Kaizad Bharucha be and is hereby appointed as a director designated as Executive Director of the Bank for a period of 3 (Three) years with effect from 24th December, 2013 to 23rd December, 2016 upon such terms and conditions including remuneration as set out in the draft agreement initiated by the Company Secretary for the purpose of identification which agreement is specifically approved and sanctioned with authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include the Compensation Committee or any other Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and / or agreement including authority, from time to time, to determine the amount of basic salary and allowances as also the type of perquisites and other benefits payable to Mr. Kaizad Bharucha as may be agreed to between the Board and Mr. Kaizad Bharucha; Provided however that the basic salary and allowances payable to Mr. Kaizad Bharucha shall not exceed the limits specified in the said agreement;

RESOLVED FURTHER THAT in the absence or inadequacy of profit in any financial year, the aforesaid remuneration shall be paid to Mr. Kaizad Bharucha as minimum remuneration;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Bank, to give effect to this resolution."

3 To consider and if thought fit, to pass the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 and the Banking Regulation Act, 1949 or any statutory re-enactments thereof and pursuant to the approval granted by the Reserve Bank of India (RBI) and subject to further approvals as may be necessary from any other regulatory authorities or bodies and subject to conditions as may be prescribed by any of them while granting such approvals, the approval of the Members be and is hereby accorded for the appointment of Mr. C. M. Vasudev as director and part-time Chairman of the Bank for a period of one year from 27th August, 2013 up to 26th August 2014 and for payment of remuneration from the date of appointment as follows:

Remuneration ₹ 20,00,000 per annum. Free Use of Bank's Car for official and private purposes.

RESOLVED FURTHER THAT pursuant to the approval of RBI, Mr. C. M. Vasudev be also retained to render extra services of non-executive nature in areas like internal audit, inspection, vigilance, compliance, etc.; with effect from the date of appointment;

RESOLVED FURTHER THAT in the absence or inadequacy of profit in any financial year, the aforesaid remuneration shall be paid to Mr. C. M. Vasudev as minimum remuneration;

RESOLVED FURTHER THAT the Board of Directors, which term shall be deemed to include any other Committee of the Board, be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said re-appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Bank, to give effect to this resolution.”

4 To consider and if thought fit, to pass the following resolution as a Special Resolution

“RESOLVED THAT in supersession of the earlier resolution passed by the Members at the Annual General Meeting of the Bank held on 10th June, 2008, consent of the Members be and is hereby accorded pursuant to provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 {including any statutory modification(s) thereof and any rules thereunder for the time being in force}, to the Board of Directors of the Bank to borrow for the purpose of business of the Bank, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time (apart from acceptances of deposits of money from public repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise and / or temporary loans obtained in the ordinary course of business from banks, whether in India or outside India) will exceed the aggregate of the paid up capital of the Bank and its free reserves i. e. to say reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed ₹ 20,000 crore (Rupees Twenty Thousand Crore) over and above the aggregate of the paid up capital of the Bank and its free reserves at any time.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as may be required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.

By Order of the Board of Directors

Sanjay Dongre
Executive Vice President (Legal) &
Company Secretary

Place: Mumbai

Date: 17th January, 2014

Notes

1. The explanatory statement and reasons for the proposed resolutions pursuant to Section 192A(2) of the Companies Act, 1956 and Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The Bank has appointed Mr. V. V. Chakradeo, a Practising Company Secretary, to act as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.
3. The Notice is being sent to all the Members, whose names appear in the Register of Members / list of Beneficial Owners, received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on Friday, 17th January, 2014.
4. In compliance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Bank is pleased to offer e-voting facility to all its Members as an alternate. For this purpose, the Bank has entered into an agreement with CDSL for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Forms. Please note that e-voting is optional.
5. In case a member is desirous of obtaining postal ballot / voting paper in printed form or a duplicate, the member may send an e-mail to hdinvestors@dfssl.com. The Registrars / Bank shall forward the same along with self addressed postage pre-paid envelope to the member within 3 working days.

The instructions for Members for e-voting are as under:

A) In case of Members receiving Postal Ballot intimation by e-mail:

- i) Open e-mail and open password protected pdf file by providing last four digits of your Folio No. in case you are holding shares in Physical mode and last four digits of your Client ID in case you are holding shares in Demat mode.

Eg :-

1 Shares held in Physical mode :- Suppose your Folio no is HB 12345 then the password for opening the file is “2345”

2 Shares held in Demat mode :- Suppose your Client ID is 12345678 then the password for opening the file is “ 5678”

- ii) The said pdf file contains your share holding details besides user ID and password for e-voting. Please note that the password is an initial password.
- iii) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- iv) Now click on “Shareholders” to cast your votes
- v) Now, select the Electronic Voting Sequence Number - “EVSN” along with “HDFC BANK LIMITED” from the drop down menu and click on “SUBMIT”
- vi) Now, fill up the following details in the appropriate boxes:

User - ID	For Members holding shares in Demat Form:-
	For NSDL :- 8 Character DP ID followed by 8 Digits Client ID
	For CDSL :- 16 digits beneficiary ID
	For Members holding shares in Physical Form:-
	Folio Number registered with the Bank
Password	Your Unique password is printed on the Postal Ballot Form or sent to you by e-mail.
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department

*Members who have not updated their PAN with the Registrars / Depository Participant are requested to use default number ‘HDFCBANK14’ in the PAN field or use physical Postal Ballot Form for voting.

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in Physical form will then reach directly to the voting screen.
- ix) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a - z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- xi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used.
- xii) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Postal Ballot Notice.
- xiii) On the voting page, you will see Resolution Description and against the same the option ‘YES / NO’ for voting. Enter the number of shares (which represents number of votes) under YES / NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xiv) Click on the Resolution File Link if you wish to view the entire Postal Ballot Notice.
- xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- xvii) Institutional members (i. e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested

specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at vvchakra@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com and shareholder.grievances@hdfcbank.com. File naming convention should be "Corporate Name_EVSN". The documents should reach the Scrutinizer and such other person on or before the close of working hours on Thursday, March 6, 2014

- xviii) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com
- xix) Members have option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he / she should not vote by Postal Ballot also and vice-a-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.
- xx) The voting period for e-voting module ends on Thursday, 6th March, 2014. The e-voting module shall also be disabled by CDSL at 05:30 p. m. on the same day. Votes should be cast following the aforementioned process, on or before the close of working hours on Thursday, 6th March, 2014. All votes cast after the said date will be treated as if replies from such Members have not been received.

B) In case of Members receiving Postal Ballot Form by Post:

- i) Initial password is provided as below / at the bottom of the Postal Ballot Form

EVSN	USER ID	PASSWORD / PIN	PAN / Default PAN No

- ii) Please follow all steps from A (iii) to A (xx) above, to cast vote.
- iii) In case of any queries regarding e-voting you may refer to the User Manual for Shareholders to cast their votes available at www.evotingindia.com under "Help".
- iv) Members who have registered their e-mail address with the depositories or with the Bank Registrars are being sent Notice of Postal Ballot by e-mail and members who have not registered their e-mail address will receive Notice of Postal Ballot along with Postal Ballot Form through post.
- v) The Members can also seek duplicate Postal Ballot Form from Datamatics Financial Services Ltd having address at Plot No. B 5, Part B Crosslane, MIDC, Marol, Andheri (East), Mumbai 400093 or they may also request at their e-mail : hdinvestros@dfssl.com. Contact no 022 - 66712151 to 56
- vi) Kindly note that the Members can opt only one mode of voting i.e. either by Physical Ballot or through e-voting. If Members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
- vii) Members desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self - addressed business reply envelope to the Scrutinizer so as to reach the Scrutinizer on or before the close of working hours on Thursday, 6th March, 2014. All postal ballot forms received after the said date will be treated as if reply from such Members has not been received. **No other form or photocopy of the ballot form will be permitted / accepted by the Bank.**
- viii) For the votes to be considered valid, the institutional members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer alongwith the ballot form so as to reach the Scrutinizer on or before the close of working hours on Thursday, 6th March, 2014.

C) General

The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Bank as on Friday, 17th January, 2014. The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Wednesday, 12th March, 2014 at the Registered Office of the Bank at HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013. All the material documents referred to in the Explanatory Statement will be made available for inspection by the Members at the Registered Office of the Bank, during working hours on any working days from Saturday, February 1, 2014 to Thursday, March 6, 2014.

Item No.1

Mr. Paresh Sukthankar has been appointed as a director designated as Deputy Managing Director of the Bank for a period of 3 (Three) years commencing from 24th December, 2013 to 23rd December, 2016 on the terms and conditions, including remuneration, subject to the approval of the Reserve Bank of India.

Mr. Paresh Sukthankar has been associated with the Bank since 1994 and has held various positions of responsibility. Mr. Paresh Sukthankar has earlier served as an Executive Director of the Bank and has rich experience in areas such as Risk Management, Human Resources, Finance, Investor Relations, Corporate Communications, etc. Prior to joining the Bank Mr. Paresh Sukthankar was with Citibank for around 9 years in various functions. Mr. Paresh Sukthankar holds a Bachelor of Commerce degree from Sydenham College (Mumbai University) and Masters in Management Studies from Jamnalal Bajaj Institute (Mumbai). Mr. Paresh Sukthankar has also completed the Advanced Management Program (AMP) from the Harvard Business School. Mr. Paresh Sukthankar has completed 51 years of age.

The main terms and conditions of appointment of Mr. Paresh Sukthankar as a director designated as Deputy Managing Director as set out in the draft agreement are as under:

1. The appointment of Mr. Paresh Sukthankar as a director designated as Deputy Managing Director of the Bank shall be for a period of 3 (Three) years commencing from 24th December, 2013 to 23rd December, 2016
2. The basic salary and allowances (collectively referred to as "Salary") payable to Mr. Paresh Sukthankar subject to the approval of the Reserve Bank of India ("RBI") is as follows :

Salary	₹ per annum
Basic Salary	15,228,300/-
Allowances	7,286,400/-
Allowances Total	22,514,700/-

Mr. Paresh Sukthankar will be eligible for annual salary revision as part of the salary review exercise as per the Bank's policies. The increase in Salary on account of annual increment will not exceed 20% of the Salary paid in the previous financial year and will be subject to approval of the Compensation Committee, Board and the RBI.

3. In addition to the aforesaid Salary, Mr. Paresh Sukthankar shall, subject to the approval by the Compensation Committee, Board and the RBI, also continue to be eligible for perquisites inclusive of residential accommodation, hard furnishings, use of cars, telephones at residence, club memberships or allowances in lieu thereof, medical reimbursement, medical insurance, housing and personal loans, travel allowance, leave travel concession and other perquisites and benefits in accordance with the policies / scheme(s) and rule(s) applicable to the members of the staff and directors from time to time for the aforesaid perquisites and benefits or allowances in lieu thereof. The perquisites and benefits shall be evaluated as per the Income Tax Rules, 1962, wherever applicable, or at actual cost to the Bank.
4. Mr. Paresh Sukthankar shall also be eligible for retiral benefits like provident fund, superannuation and gratuity as per relevant policies / schemes / rules of the Bank. He will also be entitled to other retiral benefits in the form of medical and use of car in accordance with the policies / schemes / rules as approved by the Compensation Committee, Board and the RBI.
5. Additionally, Mr. Paresh Sukthankar would also be eligible for an annual performance bonus as may be determined by the Board / Compensation Committee as per the Compensation Policy of the Bank and in terms of the Guidelines of the RBI on compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc., (hereinafter referred to as "guidelines") issued by the RBI on January 13, 2012, or any amendments thereof, subject to necessary RBI approval.

6. In view of the said guidelines and to ensure flexibility between fixed and variable pay, suitable adjustments may be made in the individual components of compensation viz., Basic Salary, Allowances and Variable Pay and deferrals thereof while maintaining the aggregate of the three components as constant in compliance with the said guidelines or in compliance with any suggestions that RBI may have in this regard.
7. Mr. Paresh Sukthankar shall also be eligible for stock options under the Employee Stock Option Schemes as may be approved by the Compensation Committee of the Board from time to time and to avail of stock options already granted to him as an employee, subject to necessary approvals from the RBI.
8. In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Paresh Sukthankar as minimum remuneration.

The Board of Directors recommends passing of the resolution set out in Item No. 1 of the accompanying Notice for approval of the members of the Bank.

The above may be treated as an abstract of the terms of appointment of Mr. Paresh Sukthankar under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. Paresh Sukthankar and his family members, to the extent they will enjoy any benefits of any perquisites, are concerned or interested in this resolution.

None of the other Key Managerial Personnel and their relatives are concerned or interested in this resolution.

Item No. 2

Mr. Kaizad Bharucha has been appointed as an additional director and designated as Executive Director of the Bank for a period of 3 (Three) years commencing from 24th December, 2013 to 23rd December, 2016 on the terms and conditions, including remuneration, subject to the approval of the Reserve Bank of India.

Prior to this appointment Mr. Kaizad Bharucha has served as Group Head-Wholesale Banking and Group Head - Credit and Market Risk. Mr. Kaizad Bharucha has rich experience of 27 yrs in the banking and financial sector and has been associated with the Bank since 4th October 1995. Mr. Kaizad Bharucha began his career with the Bank as a Relationship Manager in Corporate Banking Division. Thereafter, he has held various senior level positions in the Corporate Banking and Risk Management functions. Before joining the Bank, Mr. Kaizad Bharucha was working with SBI Commercial and International Bank Limited (SBICI), a subsidiary of State Bank of India. Mr. Kaizad Bharucha holds a Bachelor of Commerce degree from the University of Mumbai. Mr. Kaizad Bharucha has completed 48 years of age.

The main terms and conditions of appointment of Mr. Kaizad Bharucha as Executive Director as set out in the draft agreement are as under:

1. The appointment of Mr. Kaizad Bharucha as Executive Director of the Bank shall be for a period of 3 (Three) years commencing from 24th December, 2013 to 23rd December, 2016
2. The basic salary and allowances (collectively referred to as "Salary") payable to Mr. Kaizad Bharucha subject to the approval of the Reserve Bank of India ("RBI") is as follows :

Salary	₹ per annum
Basic Salary	7,000,000/-
Allowances	6,104,309/-
Allowances Total	13,104,309/-

Mr. Kaizad Bharucha will be eligible for annual salary revision as part of the salary review exercise as per the Bank's policies. The increase in Salary on account of annual increment will not exceed 20% of the Salary paid in the previous financial year and will be subject to approval of the Compensation Committee, Board and the RBI.

3. In addition to the aforesaid Salary, Mr. Kaizad Bharucha shall, subject to the approval by the Compensation Committee, Board and the RBI, be eligible for perquisites inclusive of residential accommodation, hard furnishings, use of cars, telephones at residence, club memberships or allowances in lieu thereof, medical reimbursement, medical insurance, housing and personal loans, travel allowance, leave travel concession and other perquisites and benefits in accordance with the policies / scheme(s) and rule(s) applicable to the members of the staff and directors from time to time for the aforesaid perquisites and benefits or allowances in lieu thereof. The perquisites and benefits shall be evaluated as per the Income Tax Rules, 1962, wherever applicable, or at actual cost to the Bank.
4. Mr. Kaizad Bharucha shall also be eligible for retiral benefits like provident fund, superannuation and gratuity as per relevant policies / schemes / rules of the Bank. He will also be entitled to other retiral benefits in the form of medical and use of car in accordance with the policies / schemes / rules as approved by the Compensation Committee, Board and the RBI.
5. Additionally, Mr. Kaizad Bharucha would also be eligible for an annual performance bonus as may be determined by the Board / Compensation Committee as per the Compensation Policy of the Bank and in terms of the Guidelines of the RBI on compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc., (hereinafter referred to as "guidelines") introduced by the RBI on January 13, 2012, or any amendments thereof, subject to necessary RBI approval.
6. In view of the said guidelines and to ensure flexibility between fixed and variable pay, suitable adjustments may be made in the individual components of compensation viz., Basic Salary, Allowances and Variable Pay and deferrals thereof while maintaining the aggregate of the three components as constant in compliance with the said guidelines or in compliance with any suggestions that RBI may have in this regard.
7. Mr. Kaizad Bharucha shall also be eligible for Stock Options under the Employee Stock Option Schemes as may be approved by the Compensation Committee of the Board from time to time and to avail of stock options already granted to him as an employee, subject to necessary approvals from the RBI.
8. In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Kaizad Bharucha as minimum remuneration.

Pursuant to section 257 of the Companies Act, 1956, the Bank has received notices from members signifying their intention to propose the candidature of Mr. Kaizad Bharucha for the office of Director. The Bank has also received deposit of ₹ 500/- (Rupees Five Hundred Only) as required under the Act

The Board of Directors recommends passing of the resolution set out in Item No. 2 of the accompanying Notice for approval of the members of the Bank.

The above may be treated as an abstract of the terms of appointment of Mr. Kaizad Bharucha under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. Kaizad Bharucha and his family members, to the extent they will enjoy any benefits of any perquisites, are concerned or interested in this resolution.

None of the other Key Managerial Personnel and their relatives are concerned or interested in this resolution

Item No.3

Mr. C. M. Vasudev has been appointed as an additional director and the part time Chairman of the Bank for a period of one year on a remuneration of ₹ 20 Lakhs per annum as mentioned in the resolution set out in the Notice under Item No.3. The Reserve Bank of India has approved the appointment of Mr. C. M. Vasudev as part time Chairman and the remuneration payable to Mr. C. M. Vasudev with effect from 27th August, 2013 till 26th August, 2014.

Mr. C. M. Vasudev is also entitled to sitting fees for attending meetings of the Board and its Committees.

Mr. C. M. Vasudev holds a Master's Degree in Economics and Physics. He joined the Indian Administrative Services in 1966 and has worked as an Executive Director of World Bank representing India, Bangladesh, Sri Lanka and Bhutan. He has extensive experience of working at policy making levels in the financial sector and was responsible

for laying down policies and oversight of management. Mr. C. M. Vasudev has also chaired World Bank's operations. He has worked as Secretary, Ministry of Finance for more than 8 years and has undertaken various assignments viz. Secretary, Department of Economic Affairs, Department of Expenditure, Department of Banking and Additional Secretary Budget with responsibility for framing the fiscal policies and policies for economic reforms and for co-ordinating preparation of budgets of the Government of India and monitoring its implementation.

Mr. C. M. Vasudev has also worked as Government Nominee Director on the Boards of many companies like State Bank of India, IDBI, ICICI, IDFC, NABARD, National Housing Bank and Central Board of RBI. He was also member secretary of the Narsimhan Committee on financial sector reforms. He has also chaired a Committee on reforms of the NBFC sector and as a Joint Secretary of Ministry of Commerce with responsibility for state trading, trade policy including interface with WTO.

Mr. C. M. Vasudev is Director on the Board of ICRA Management Consultancy Services Limited, NOIDA Power Company Limited, Uttarakhand Jal Vidyut Nigam Ltd., Star Paper Mills Limited, Power Exchange of India Limited and NSDL Data Management Limited.

In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. C. M. Vasudev as minimum remuneration.

Pursuant to section 257 of the Companies Act, 1956, the Bank has received notices from members signifying their intention to propose the candidature of Mr. C. M. Vasudev for the office of Director. The Bank has also received deposit of ₹ 500/- (Rupees Five Hundred Only) as required under the Act.

The Board of Directors recommends the special resolution at Item No. 3 of the accompanying Notice for approval of the Members of the Bank.

None of the Directors other than Mr. C. M. Vasudev and his family members, to the extent they will enjoy any benefits of any perquisites, are concerned or interested in the resolution.

None of the other Key Managerial Personnel and his relatives are concerned or interested in this resolution.

Item No.4

The Members of the Bank, at the Annual General Meeting held on 10th June, 2008, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Bank for borrowing monies on behalf of the Bank, from time to time, upto an aggregate amount (apart from acceptances of deposits of money from public repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise and / or temporary loans obtained in the ordinary course of business from banks, whether in India or outside India) not exceeding at any time the paid up share capital of the Bank and its free reserves by ₹ 20,000 Crore. However, after the applicability of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Bank needs to pass a special resolution for making such borrowings. The approval of the Members is therefore sought by way of a Special Resolution.

The Board of Directors accordingly recommends the Special Resolution as mentioned at item no. 4 of this Notice for approval of the members of the Bank.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel of the Bank and their relatives are concerned or interested in the resolution.

By Order of the Board of Directors

Sanjay Dongre
Executive Vice President (Legal) &
Company Secretary

Place: Mumbai

Date: 17th January, 2014