

# Notice



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## HDFC BANK LIMITED

Registered Office: HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

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**NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH (27<sup>TH</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF HDFC BANK LIMITED WILL BE HELD ON SATURDAY, JULY 17, 2021 AT 2.30 P.M. INDIAN STANDARD TIME ("IST"). THE ANNUAL GENERAL MEETING SHALL BE HELD BY MEANS OF VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") ON ACCOUNT OF OUTBREAK OF COVID-19 (CORONAVIRUS) PANDEMIC AND IN ACCORDANCE WITH THE RELEVANT CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (standalone) of the Bank for the financial year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the audited financial statements (consolidated) of the Bank for the financial year ended March 31, 2021 and the Report of Auditors thereon.
3. To declare dividend on Equity Shares.
4. To appoint a director in place of Mr. Srikanth Nadhamuni (DIN 02551389), who retires by rotation and, being eligible, offers himself for re-appointment.
5. To ratify the additional audit fees to the Statutory Auditors, MSKA & Associates, Chartered Accountants and in this regard to consider and if thought fit to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules there under, in addition to the resolution passed by the Members of the Bank on July 18, 2020, for payment of audit fees of ₹ 2,65,00,000 (Rupees Two Crores Sixty Five Lakhs Only) for the FY 2020-21 to MSKA & Associates, Statutory Auditors of the Bank, further approval of the Members of the Bank be and is hereby accorded for ratifying the fees of ₹ 55,00,000 (Rupees Fifty Five Lakhs Only) to Statutory Auditors for additional certification and reporting as required by the RBI, for the FY 2020-21."

6. To revise the term of office of MSKA & Associates as Statutory Auditors of the Bank and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in partial modification of the resolution of the Members of the Bank that was passed at the 25<sup>th</sup> Annual General Meeting held on July 12, 2019, and subject to applicable law and regulations (as may be amended, restated, modified, replaced from time to time), the term of office for MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Bank be revised from a term of 4 years to a term of 3 years, i.e. 3 years from the FY 2019-20 till (and including) the FY 2021-22, and that for the remainder of this revised term, MSKA & Associates shall act as joint Statutory Auditors of the Bank with such other joint Statutory Auditor(s) as the Bank may appoint (subject to the approval of RBI and the Members of the Bank), at an overall audit fees of ₹ 3,30,00,000 (Rupees Three Crores Thirty Lakhs Only) for FY 2021-22 to be allocated by the Bank between MSKA & Associates and such joint Statutory Auditors as may be mutually agreed between the Bank and the said joint Statutory Auditors, depending upon their respective scope of work, and additionally out of pocket expenses, outlays and taxes as applicable.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board (including the Audit Committee of the Board or any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of roles and responsibilities/ scope of work of the respective joint Statutory Auditor(s), negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank."

7. To appoint joint Statutory Auditors and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules thereunder and pursuant to Section 30 of the Banking Regulation Act, 1949 and guidelines issued by the Reserve Bank of India (RBI) including any amendments, modifications, variations or re-enactments thereof and subject to approval of the

RBI in this regard, M/s. M. M. Nissim & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 107122W/W100672) [‘M.M. Nissim & Co. LLP’], who have offered themselves for appointment and have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules and the guidelines issued by RBI dated April 27, 2021, be and are hereby appointed as the joint Statutory Auditors of the Bank, to hold office for a period of 3 (Three) years with effect from the FY 2021-22 till and including the FY 2023-24, subject to the approval of the RBI for each year during this tenure, for the purpose of audit including reporting on internal financial controls of the Bank’s accounts at its head office, branches and other offices, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, etc., including by reason of necessity on account of conditions as may be stipulated by the RBI and / or any other authority.

**RESOLVED FURTHER THAT** subject to applicable law and regulations including the relevant guidelines and circulars of the RBI (as may be amended, restated, modified, replaced from time to time), M.M. Nissim & Co. LLP and MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) who were already appointed as Statutory Auditors of the Bank at the 25<sup>th</sup> Annual General Meeting held on July 12, 2019, shall act as joint Statutory Auditors of the Bank for the remainder of the term of MSKA & Associates, at overall audit fees of ₹ 3,30,00,000 (Rupees Three Crores Thirty Lakhs Only) for FY 2021-22, to be allocated by the Bank between MSKA & Associates and M.M. Nissim & Co. LLP as the joint Statutory Auditors, as may be mutually agreed between the Bank and the said joint statutory auditors, depending upon their respective scope of work, and additionally out of pocket expenses, outlays and taxes as applicable and that M.M. Nissim & Co. LLP shall thereafter act as joint Statutory Auditors of the Bank with such other new joint Statutory Auditor(s) who will be appointed by the Bank subject to prior permission of RBI and approval of the Members of the Bank from FY 2022-23 onwards.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board (including the Audit Committee of the Board or any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of roles and responsibilities/ scope of work of the respective joint Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Bank.”

## SPECIAL BUSINESS:

8. In supersession of the resolution of the Members of the Bank passed at the 22<sup>nd</sup> AGM dated July 21, 2016, to approve the revised remuneration of non-executive directors except for Part Time Non-Executive Chairperson and in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in supersession of the resolution of the Members of the Bank passed at the 22<sup>nd</sup> AGM dated July 21, 2016, and pursuant to the applicable provisions of the Banking Regulation Act, 1949 and other laws including Reserve Bank of India’s (“RBI”) Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021, as may be amended, restated, replaced or modified from time to time and any other relevant RBI guidelines in relation to compensation to non-executive directors, and provisions of Section 197, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the Members of the Bank be and is hereby accorded to pay compensation to non-executive directors (NEDs) of the Bank, other than the Part Time Non-Executive Chairperson, in the form of fixed remuneration of ₹ 20,00,000 (Rupees Twenty Lakhs Only) to each NED, per annum, which is commensurate with the individual director’s responsibilities and demands on time, with effect from the FY 2021-22, or any other or different limits as may be applicable under law / relevant RBI guidelines, from time to time, and subject to and in accordance with the decisions in this regard and/or the applicable / relevant policy, if any, of the Board or the relevant Committee thereof, in addition to payment of sitting fees and reimbursement of out of pocket expenses for attending the Board and Committee meetings.

**RESOLVED FURTHER THAT** the Members of the Bank do hereby accord approval to the Board of Directors of the Bank (including any Committee thereof or any person(s) authorised by the Board or the Committee in this regard) to sign, deliver and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and / or director(s) and / or officer(s) / employee(s) of the Bank / any other person(s) to give effect to the aforesaid resolution and also to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

9. To approve the re-appointment Mr. Umesh Chandra Sarangi (DIN 02040436) as an Independent Director and

in this regard to consider and if thought fit, to pass, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules thereunder read with Schedule IV to the Companies Act, 2013, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A(2)(a) of the Banking Regulation Act, 1949, and relevant circulars issued by RBI from time to time, including any amendments, modifications, variations or re-enactments thereof and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Bank, the re-appointment of Mr. Umesh Chandra Sarangi (DIN 02040436), be and is hereby approved by the members as an Independent Director of the Bank having specialized knowledge and practical experience in matters relating to agriculture and rural economy, to hold office for a period of three (3) years from March 1, 2021 to February 29, 2024, AND THAT he shall not be liable to retire by rotation and that he shall be paid sitting fees, reimbursed expenses for attending Board and Committee meetings as applicable and fixed remuneration of ₹ 20,00,000 (Rupees Twenty Lakhs Only) per annum from FY 2021-22 till the end of his tenure in terms of the RBI Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021.”

10. To approve the appointment Mr. Atanu Chakraborty (DIN 01469375) as a Part time Non-Executive Chairman and Independent Director of the Bank and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Article 161 of Articles of Association of the Bank, Sections 149, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 along with applicable rules thereunder, Section 35B and such other applicable provisions of the Banking Regulation Act, 1949 and any other applicable laws, or any amendment or modifications or any re-enactment 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, appointment of Mr. Atanu Chakraborty (DIN 01469375), be and is hereby approved as Part time Non Executive Chairman and Independent Director of the Bank, not liable to retire by rotation, for a period of three (3) years commencing from May 5, 2021, at a remuneration of ₹ 35,00,000 (Rupees Thirty Five Lakhs only) per annum, and the Board is authorized to fix the remuneration payable to Mr. Atanu Chakraborty and subsequently vary at annual or periodic intervals as per the

recommendations of the Nomination and Remuneration Committee, approval of the Board and the RBI from time to time during his tenure, and that he will be entitled for free use of Bank’s car for official and private purposes, as well as sitting fees for attending Board and Committee meetings of the Bank;

**RESOLVED FURTHER THAT** the Board (which term shall include any Committee thereof) be and is hereby authorized 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.”

11. To approve the appointment of Dr. (Ms.) Sunita Maheshwari (DIN 01641411) as an Independent Director and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Sections 149, 152 and such other applicable provisions of the Companies Act, 2013, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 10A (2)(a) and such other applicable provisions of the Banking Regulation Act, 1949 and relevant circulars issued by the RBI from time to time, including any amendments, modifications, variations or re-enactments thereof and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Bank, the appointment of Dr. (Ms.) Sunita Maheshwari (DIN 01641411) be and is hereby approved by the members as an Independent Director of the Bank having specialized experience inter alia in small scale industries, to hold office for a period of five (5) years from March 30, 2021 to March 29, 2026 AND THAT she shall not be liable to retire by rotation and that she shall be paid sitting fees and reimbursed expenses for attending Board and Committee meetings as applicable, and fixed remuneration of ₹ 20,00,000 (Rupees Twenty Lakhs) per annum from FY 2021-22 till the end of her tenure in terms of the RBI Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021.”

12. To ratify and approve the related party transactions with Housing Development Finance Corporation Limited and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and any other applicable provisions of law,

including any amendments, modifications, variations or re-enactments thereof, the Members of the Bank do hereby ratify, as also accord further approval (under the Listing Regulations, Section 188 of the Companies Act, 2013, rules thereunder and any other relevant provisions of law including any amendments, modifications, variations or re-enactments thereof) to the Board of Directors of the Bank (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for carrying out and / or continuing with arrangements and transactions (whether individual transactions or transactions taken together or series of transactions or otherwise) with Housing Development Finance Corporation Limited (“HDFC Limited”), being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transactions or otherwise, including banking transactions, transactions for sourcing of home loans for HDFC Limited against the consideration of the commission agreed upon or as may be mutually agreed upon from time to time, purchase / securitization of such percentage of home loans sourced and disbursed as may be agreed from time to time mutually between the Bank and HDFC Limited, servicing by HDFC Limited of home loans assigned by it / securitized against the consideration agreed upon or as may be agreed upon from time to time, any transactions for purchase of any securities from HDFC Limited held by it in any of its subsidiary and/or associate companies (subject to a cap of 5% of the paid-up share capital of such investee company), with such rights and subject to such terms and conditions including for such consideration as may be mutually agreed upon from time to time between the Bank and HDFC Limited as also subject to any regulatory approvals as may be required to be sought by the Bank, and any other transactions including those as are or as may be disclosed in the notes forming part of the financial statements for the relevant period, notwithstanding the fact that all these transactions within the FY 2021-22 in aggregate may exceed 10% of the annual consolidated turnover of the Bank as per the Bank’s last audited financial statements or any materiality threshold as may be applicable from time to time;

**RESOLVED FURTHER THAT** the Members of the Bank do hereby ratify as also accord further approval to the Board of Directors of the Bank to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and / or director(s) and / or officer(s) / employee(s) of the Bank / any other person(s) to give effect to the aforesaid resolution.”

13. To ratify and approve the related party transactions with HDB Financial Services Limited and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and any other applicable provisions of law, including any amendments, modifications, variations or re-enactments thereof, the Members of the Bank do hereby ratify and also accord further approval to the Board of Directors of the Bank (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for carrying out and/or continuing with arrangements and the transactions (whether individual transactions or transactions taken together or series of transactions or otherwise) with HDB Financial Services Limited (“HDBFSL”), being a related party, including transactions of purchase / securitization of loans, servicing arrangements, if any, banking transactions and any other arrangements / transactions including those as are or as may be disclosed in the notes forming part of the financial statements, whether by way of continuation, renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or otherwise, against such consideration as agreed upon or as may be mutually agreed upon from time to time between the Bank and HDBFSL, notwithstanding the fact that all these transactions within the FY 2021-22 in aggregate may exceed 10% of the annual consolidated turnover of the Bank as per the Bank’s last audited financial statements or any materiality threshold as may be applicable from time to time;

**RESOLVED FURTHER THAT** the Members of the Bank do hereby ratify as also accord further approval to the Board of Directors of the Bank to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and / or director(s) and / or officer(s) / employee(s) of the Bank / any other person(s) to give effect to the aforesaid resolution.”

14. To Issue Unsecured Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Long Term Bonds (financing of infrastructure and affordable housing) on a private placement basis and in this regard to consider and if thought fit, to pass, the following resolution, as a Special Resolution:



**“RESOLVED THAT** pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013, Rule 14 and other applicable provisions, if any, of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debenture) Rules, 2014, any other applicable Rules, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, any other applicable provisions of law, any amendments, modifications, variations or re-enactments thereto from time to time, and the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned authorities / regulators / Statutory Authority(ies), including Reserve Bank of India (“RBI”), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as “Board” and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013 or Rules thereunder) for borrowing / raising funds in Indian currency by issue of unsecured Perpetual Debt Instruments (part of Additional Tier I Capital), Tier II Capital Bonds and Long Term Bonds (financing of infrastructure and affordable housing) in domestic market on a private placement basis and / or for making offers and / or invitations therefor and / or issue(s) / issuances therefor, on private placement basis, even if the amount to be borrowed/ raised exceeds/will exceed the limit as specified in clause (c) of sub-section (1) of Section 180 of the Companies Act, 2013, for a period of one (1) year from the date hereof, in one or more tranches and / or series and under one or more shelf disclosure documents and / or one or more issues / letters of offer or such other documents or amendments / revisions thereof and on such terms and conditions for each series / tranches including the price, coupon, premium, discount, tenor, etc. as may be deemed fit by the Board, as per the structure and within the limits permitted by the RBI, of an amount in aggregate not exceeding ₹ 50,000 crores;

**RESOLVED FURTHER THAT** the Members of the Bank do hereby accord approval to the Board of Directors of the Bank to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto with power to settle all questions, difficulties or doubts that may arise with regard to any of the said matters, and to delegate all or any of its powers herein conferred to any Committee of Directors and / or director(s) and / or officer(s) / employee(s) of the Bank / any other person(s) to give effect to the aforesaid resolution.”

15. To consider amendment to the ESOS-Plan D-2007 as approved by the Members and, if thought fit, to pass, the following resolution, as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time (“SBEB Regulations”) and subject to such other approvals as may be required, approval of the Members be and is hereby accorded to make the amendments in the HDFC Bank Limited Employees’ Stock Option Scheme, 2007 (“ESOS-Plan D-2007”) as mentioned in the Explanatory Statement under heading Part A, which amendments shall be applicable for all options already granted under the ESOS-Plan D- 2007, which are pending vesting and/or exercise.

**RESOLVED FURTHER THAT** in accordance with the provisions of the SBEB Regulations and pursuant to the relevant guidelines and / or circulars of the Reserve Bank of India in this regard (as may be amended, replaced, restated from time to time) and subject to such other approvals as may be required, approval and ratification of the Members be and is hereby accorded to make the amendments in the “ESOS-Plan D-2007” as mentioned in the Explanatory Statement under heading Part B, which shall be applicable from the Bank’s compensation cycle effective April 1, 2020.

**RESOLVED FURTHER THAT** the aforesaid amendments to the ESOS-Plan D-2007 shall mutatis mutandis apply to all employee stock option schemes of the Bank which have been created, formed, formulated, drawn under or pursuant to the ESOS-Plan D-2007.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board or the Nomination and Remuneration Committee of the Board (“NRC”), which will act as the Compensation Committee for the purpose of SBEB Regulations, or any other person authorised by the Board or NRC in this regard, be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of eligibility or otherwise of employees of the Bank or subsidiaries or any other grantees who continue to be covered by the ESOS-Plan D-2007 to the benefits extended under the ESOS-Plan D-2007, without being required to seek any further consent or approval of the Members.”

16. To consider amendment to the ESOS-Plan E-2010 as approved by the Members and, if thought fit, to pass, the following resolution, as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time (“SBEB Regulations”) (and subject to such other approvals as may be required), approval of the Members be and is hereby accorded to make the amendments in the HDFC Bank Limited Employees’ Stock Option Scheme, 2010 (“ESOS-Plan E-2010”) as mentioned in the Explanatory Statement under heading Part A, which amendments shall be applicable for all options already granted under the ESOS-Plan E- 2010, which are pending vesting and/or exercise.

**RESOLVED FURTHER THAT** in accordance with the provisions of the SBEB Regulations and pursuant to the relevant guidelines and/or circulars of the Reserve Bank of India in this regard (as may be amended, replaced, restated from time to time) and subject to such other approvals as may be required, approval and ratification of the Members be and is hereby accorded to make the amendments in the “ESOS-Plan E-2010” as mentioned in the Explanatory Statement under heading Part B, which shall be applicable from the Bank’s compensation cycle effective April 1, 2020.

**RESOLVED FURTHER THAT** the aforesaid amendments to the ESOS-Plan E-2010 shall mutatis mutandis apply to all employee stock options schemes of the Bank which have been created, formed, formulated, drawn under or pursuant to the ESOS-Plan E-2010.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board or the Nomination and Remuneration Committee of the Board (“NRC”), which will act as the Compensation Committee for the purpose of SBEB Regulations, or any other person authorised by the Board or NRC in this regard, be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of eligibility or otherwise of employees of the Bank or subsidiaries or any other grantees who continue to be covered by the ESOS-Plan E-2010 to the benefits extended under the ESOS-Plan E-2010, without being required to seek any further consent or approval of the Members.”

17. To consider amendment to the ESOS-Plan F-2013 as approved by the Members and, if thought fit, to pass, the following resolution, as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time (“SBEB Regulations”) (and subject to such other approvals as may be required), approval of the Members be and is hereby accorded to make the amendments in the HDFC Bank Limited Employees’ Stock Option Scheme, 2013 (“ESOS-Plan F-2013”) as mentioned in the Explanatory Statement under heading Part A, which amendments shall be applicable for all options already granted under the ESOS-Plan F- 2013, which are pending vesting and/or exercise.

**RESOLVED FURTHER THAT** in accordance with the provisions of the SBEB Regulations and pursuant to the relevant guidelines and/or circulars of the Reserve Bank of India in this regard (as may be amended, replaced, restated from time to time) and subject to such other approvals as may be required, approval and ratification of the Members be and is hereby accorded to make the amendments in the “ESOS-Plan F-2013” as mentioned in the Explanatory Statement under heading Part B, which shall be applicable from the Bank’s compensation cycle effective April 1, 2020.

**RESOLVED FURTHER THAT** the aforesaid amendments to the ESOS-Plan F-2013 shall mutatis mutandis apply to all employee stock options schemes of the Bank which have been created, formed, formulated, drawn under or pursuant to the ESOS-Plan F-2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board or the Nomination and Remuneration Committee of the Board (“NRC”), which will act as the Compensation Committee for the purpose of SBEB Regulations, or any other person authorised by the Board or NRC in this regard, be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of eligibility or otherwise of employees of the Bank or subsidiaries or any other grantees who continue to be covered by the ESOS-Plan F-2013 to the benefits extended under the ESOS-Plan F-2013, without being required to seek any further consent or approval of the Members.”

18. To consider amendment to the ESOS-Plan G-2016 as approved by the Members and, if thought fit, to pass, the following resolution, as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time (“SBEB Regulations”) and subject to such other approvals as may be required, approval of the Members be and is hereby accorded to make the amendments in the HDFC Bank Limited’s Employees’ Stock Option Scheme, 2016 (“ESOS-Plan G-2016”) as mentioned in the Explanatory Statement under heading Part A, which amendments shall be applicable for: (i) all options already granted under the ESOS-Plan G-2016, which are pending vesting and/or exercise, and (ii) all future options which will be granted under the ESOS-Plan G-2016 till the employee resigns from the employment with the Bank.

**RESOLVED FURTHER THAT** in accordance with the provisions of the SBEB Regulations and pursuant to the relevant guidelines and/or circulars of the Reserve Bank of India in this regard (as may be amended, replaced, restated from time to time) and subject to such other approvals as may be required, approval and ratification of the Members be and is hereby accorded to make the amendments in the “ESOS-Plan G-2016” as mentioned in the Explanatory Statement under heading Part B, which shall be applicable from the Bank’s compensation cycle effective April 1, 2020.

**RESOLVED FURTHER THAT** the aforesaid amendments to the ESOS-Plan G-2016 shall mutatis mutandis apply to all

employee stock options schemes of the Bank which have been created, formed, formulated, drawn under or pursuant to the ESOS-Plan G-2016.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board or the Nomination and Remuneration Committee of the Board (“NRC”), which will act as the Compensation Committee for the purpose of SBEB Regulations, or any other person authorised by the Board or NRC in this regard, be and is hereby authorised on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of eligibility or otherwise of employees of the Bank or subsidiaries or any other grantees who continue to be covered by the ESOS-Plan G-2016 to the benefits extended under the ESOS-Plan G-2016, without being required to seek any further consent or approval of the Members.”

**By Order of the Board**

**Santosh Haldankar**  
**Senior Vice President - Legal**  
**& Company Secretary**  
**(Membership No. ACS 19201)**

**Place: Mumbai**  
**Date: June 18, 2021**



## NOTES

1. Corporate members are requested to send a certified copy of the Board resolution authorizing their representative to attend the meeting by email to [narasimhan.b8@gmail.com](mailto:narasimhan.b8@gmail.com) with copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant items of business of this Notice is annexed herewith and the same should be taken as part of this Notice. Further, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and the provisions of the Secretarial Standard No. 2 on General Meetings, a brief profile of the directors proposed to be appointed / re-appointed is set out in the Explanatory Statement to this Notice.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting by the first holder.
4. All relevant documents referred to in this Notice requiring the approval of the members at the meeting shall be available for inspection by the Members. Members who wish to inspect the documents are requested to send an email to [santosh.haldankar@hdfcbank.com](mailto:santosh.haldankar@hdfcbank.com) with copy marked to [kashish.puri@hdfcbank.com](mailto:kashish.puri@hdfcbank.com) mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email. The Notice and the Integrated Annual Report are also available on the Bank's website at the link - <https://www.hdfcbank.com/personal/about-us/investor-relations/annual-reports> and on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The Notice is also available on the website of the service provider engaged by the Bank viz. National Securities Depository Limited ("NSDL") at <https://www.evoting.nsdl.com/>
5. Members holding shares in dematerialized form are requested to intimate any change in their address or bank account details (including 9 digit MICR no., 11 digit IFSC code no. and core banking account no.) to their respective Depository Participants with whom they are maintaining demat accounts.
6. Members holding shares in physical form are requested to send an email communication duly signed by all the holder(s) intimating about the change of address immediately to the Registrar & Transfer Agent ("R&T agent") / Bank along with the self-attested copy of their PAN Card(s), unsigned copy of the Cheque leaf where an active Bank account is maintained and the copy of the supporting documents evidencing change in address. Communication details of R&T agent are:  
  
Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited), Unit: HDFC Bank Limited, Plot No. B5, Part B, Cross Lane, MIDC, Marol, Andheri (East), Mumbai - 400 093; Tel No: 022-66712213-14; Fax No: 022-66712011; E-mail: [hdiinvestors@datamaticsbpm.com](mailto:hdiinvestors@datamaticsbpm.com).
7. As per Sections 124 and 125 of the Companies Act, 2013, the amount of unpaid or unclaimed dividend lying in unpaid dividend account for a period of seven (7) years from the date of its transfer to the unpaid dividend account and the underlying Equity Shares of such unpaid or unclaimed dividend, are required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of FY 2012-2013 was transferred to the IEPF in August 2020. The unclaimed dividend in respect of the FY 2013-2014 is in the process of being transferred to the IEPF in accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013.
8. As per Rule 5 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), information containing the names and the last known addresses of the persons entitled to receive the sums lying in the account referred to in Section 125 (2) of the Act, nature of the amount, the amount to which each person is entitled, due date for transfer to IEPF, etc. is provided by the Bank on its website at the link <https://www.hdfcbank.com/personal/about-us/stakeholders-information/shareholding-ownership> and on the website of the IEPF Authority. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Bank's R&T agent, before the unclaimed dividends are transferred to the IEPF. The Bank's R&T agent in this regard has also intimated by sending a communication to all the members whose dividends have remained un-encashed, with a request to send the requisite documents to them for claiming the un-encashed dividends.
9. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to Section 72 of the Companies Act, 2013. Members desiring to avail



this facility may send their nomination in the prescribed Form SH-13 in duplicate, duly filled in, to the R&T agent at the address mentioned at point no. 6 in the Notes. The prescribed form in this regard may also be obtained from the R&T agent at the address mentioned at point no. 6 in the Notes. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.

10. Members desiring any information relating to the annual accounts of the Bank are requested to write to the Bank at least ten (10) days before the meeting.
11. In accordance with the General Circular Nos. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 read with the circulars dated April 8, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) and in accordance with circular dated May 12, 2020 read with circular dated January 15, 2021 issued by the Securities and Exchange Board of India providing relaxations to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "Applicable Circulars"), electronic copies of the Integrated Annual Report for FY 2020-21 and this Notice inter-alia indicating the process and manner of e-voting along with instructions to attend the AGM through video-conferencing / other audio-visual means are being sent by e-mail to those members whose e-mail addresses have been made available to the Bank / Depository Participants. For members who have not registered their e-mail addresses, kindly register the same on the Bank's website at the link <https://hbemailregistration.datamaticsbbpm.com> as physical copies of this Notice as well as the other documents will not be sent to them in physical mode and will be sent only by email, in view of the COVID-19 (Coronavirus) pandemic and the Applicable Circulars.
12. Members who have not updated their latest email address in the records of the Bank / their depository participant are requested to update the same before June 30, 2021. The notice and documents will be sent by email only to those members who register their email addresses prior to this date.
13. The Bank is pleased to provide two-way facility of video conferencing (VC) / other audio-visual means (OAVM) and live webcast of the proceedings of the AGM on July 17, 2021 from 2.30 p.m. onwards at the web link - <https://www.evoting.nsdl.com>
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. The venue of the meeting shall be deemed to be the Registered Office of the Bank at HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013

## Instructions for Attending AGM through Video-Conferencing / Other Audio-Visual Means

16. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned under note no. 29 "Step 1: Access to NSDL e-Voting System". After successful login, members can see link of "VC / OAVM" placed under "Join General meeting" menu against Bank name. Members are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder / Member login where the EVEN (116180) of Bank will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
17. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
18. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800 1020 990 and 1800 22 44 30 or contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
19. Members are encouraged to join the AGM through personal computers / laptops for better user experience. Also, members will be required to have stable internet / broadband connection to avoid any disturbance during the meeting. Please note that members joining the AGM through mobile devices, tablets or through personal computers / laptops connected via mobile hotspot may experience audio / video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate the aforesaid glitches.
20. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker shareholder by accessing the link- <https://hbagmspeakerregistration.datamaticsbbpm.com/> from July 13, 2021 (9:30 A.M. IST) to July 15, 2021 (5:00 P.M. IST) and providing their name, address, DP ID and Client ID / folio number, PAN, mobile number, and email address. Only those members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM and may have to allow camera access during the AGM. The Bank reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Instructions for Remote Electronic Voting (Remote E-voting)**

21. In compliance with the provisions of Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the Secretarial Standard No. 2 on General Meetings, the Bank is providing remote e-voting facility to all its members to enable them to cast their vote on the matters listed in the Notice by electronic means and business may be transacted through such voting. The Bank has engaged the services of the National Securities Depository Limited ("NSDL") to provide the e-voting facility.
22. The remote e-voting period commences on Wednesday, July 14, 2021 (9.00 a.m. IST) and ends on Friday, July 16, 2021 (5.00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on July 10, 2021 (the "Cut-Off Date"), may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
23. The facility for voting, through electronic voting system shall also be made available at the meeting for members who have not already cast their vote prior to the meeting by remote e-voting. The members, who have cast their vote prior to the meeting by remote e-voting may also attend the meeting but shall not be entitled to vote again at the meeting. Further, votes once cast either by way of remote e-voting or at the AGM cannot be changed.
24. The voting rights of members shall be in proportion to the amount paid up on the total number of shares held by the respective member with the total share capital issued by the Bank as on the Cut-Off Date.  
  
Cut-Off Date is for determining the eligibility to vote by electronic means or at the meeting. A person who is not a member as on the Cut-Off Date should treat this Notice for information only. A member as on the Cut-Off Date shall only be entitled for availing the remote e-voting facility or vote, as the case may be, at the AGM. Only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-Off Date shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
25. The Board of Directors have appointed Mr. B. Narasimhan of M/s. B. N. & Associates, Practicing Company Secretaries, and in his absence, Mr. V. V. Chakradeo of M/s. V. V. Chakradeo & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

26. In accordance with the Applicable Circulars, the VC/OAVM will have a capacity to allow at least 1000 members to participate in the AGM and such participation shall be on a first-come-first-served basis. However, please note that pursuant to the Applicable Circulars, large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. may be allowed to attend the meeting without restriction on account of first-come-first-served principle.
27. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Bank. Since this AGM is being held pursuant to the Applicable Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. In pursuance of section 112 and section 113 of the Act, representatives of the corporate members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC or OAVM.
28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
29. The details of the process and manner for remote e-voting and voting during the AGM are explained below:

Step 1: Access to the NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of the SEBI circular dated December 9, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled for all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p><b>A. NSDL IDeAS Facility</b></p> <p><b>If you are already registered for the NSDL IDeAS facility, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a personal computer or mobile phone.</li> <li>2. Once the homepage of e-Services is launched, click on the “Beneficial Owner” icon under “Login”, available under the “IDeAS” section.</li> <li>3. A new screen will open. You will have to enter your user ID and password. After successful authentication, you will be able to see e-voting services.</li> <li>4. Click on “Access to e-voting” under e-voting services and you will be able to see the e-voting page.</li> <li>5. Click on options available against company name or e-voting service provider – NSDL and you will be re-directed to the NSDL e-voting website for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol> <p>If the user is not registered for IDeAS e-Services, follow the below steps:</p> <ol style="list-style-type: none"> <li>1. The option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>2. Select “Register Online for IDeAS” or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Upon successful registration, please follow steps given in points 1 - 5 above.</li> </ol> <p><b>B. E-voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or mobile phone.</li> <li>2. Once the homepage of e-voting system is launched, click on the “Login” icon, available under the “Shareholder / Member” section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password / OTP and a verification code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>2. Upon logging in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Important note: Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID” and “Forgot Password” option available on the abovementioned websites.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

## B) Login method for e-voting and voting during the meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-voting website of NSDL. Open the web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile phone.
2. Once the homepage of e-voting system is launched, click on the icon “Login”, available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, Password / OTP and a verification code as shown on the screen.
4. Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log in to NSDL e-services using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically on NSDL e-voting system.
5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Bank  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



6. Password details for shareholders other than individual shareholders are given below:

- a) If you are already registered for e-voting, then you can use your existing password to log in and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' for the system to prompt you to change your password.

c) How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the Bank, your 'initial password' is communicated to you on your email ID. Kindly trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for your NSDL account, or the last 8 digits of your Client ID for CDSL account, or Folio Number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details / Password?" (If you hold shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password? (If you hold shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by the above two options, you can send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / Folio Number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password)-based login for casting their vote on the e-voting system of NSDL.

8. After entering your password, tick on "Agree with Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on the "Login" button.

10. After you click on the "Login" button, the homepage of e-voting will open.

## **Step 2: Cast your vote electronically on NSDL e-voting system**

1. After successfully logging in following Step 1, you will be able to see the EVEN of all companies in which you hold shares and whose voting cycle is in active status.
2. Select the EVEN of HDFC Bank Limited, which is 116180.
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting the appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on the "Submit" and "Confirm" buttons when prompted.
5. Upon confirmation, the message, "Vote cast successfully", will be displayed.
6. You can also take a printout of the votes cast by you by clicking on the "Print" option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **Process for procuring user ID and password for e-voting for those shareholders whose email IDs are not registered with the depositories / Bank:**

Shareholders may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user ID and password for e-Voting.

1. In case shares are held in physical mode, please provide Folio Number, name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card)
2. In case shares are held in demat mode, please provide DP ID and Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), name of member, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card).
3. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and

voting during the meeting for Individual shareholders holding securities in demat mode.

### General guidelines for e-voting:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board resolution / authorization letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [narasimhan.b8@gmail.com](mailto:narasimhan.b8@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll-free number: 1800 1020 990 /1800 224 430, or send a request to Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) to get your grievances on e-voting addressed.
4. You may also send an email to the Bank at: [santosh.haldankar@hdfcbank.com](mailto:santosh.haldankar@hdfcbank.com) / [kashish.puri@hdfcbank.com](mailto:kashish.puri@hdfcbank.com)
5. The result of the voting will be announced within forty-eight (48) hours after the conclusion of the meeting on the Bank's website at [www.hdfcbank.com](http://www.hdfcbank.com), website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and communicated to the Stock Exchanges.
3. Members holding shares in dematerialized form are requested to intimate any change in their address or bank account details (including 9 digit MICR no., 11 digit IFSC code no. and core banking account no.) to their respective Depository Participants with whom they are maintaining demat accounts before June 30, 2021
4. Members holding shares in physical form are requested to send a communication duly signed by all the holder(s) intimating about the change of address immediately to the R&T agent / Bank along with the self-attested copy of their PAN Card(s), unsigned copy of the Cheque leaf where an active Bank account is maintained and the copy of the supporting documents evidencing change in address. Communication details of R&T agent are as under: Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited), Unit: HDFC Bank Limited, Plot No. B5, Part B, Cross Lane, MIDC, Marol, Andheri (East), Mumbai - 400 093; Tel No: 022-66712213-14; Fax No: 022-66712011; E-mail: [hdivestors@datamaticsbpm.com](mailto:hdivestors@datamaticsbpm.com)
5. In case, the Bank is unable to pay the dividend to any shareholder by the electronic mode, due to non-availability of the details of the bank account, the Bank shall upon normalisation of the postal services, dispatch the dividend warrant to such shareholder by post.
6. Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Bank after April 1, 2020, shall be taxable in the hands of the shareholders and the Bank shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of dividend by the shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Bank. In order to enable the Bank to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

### Dividend Related Information:

1. The Record Date for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting, is June 30, 2021.
2. Dividend as recommended by the Board of Directors, if approved at this meeting, will be paid on or after August 2, 2021 by way of electronic mode or in physical form to those members whose names appear on the Register of Members / statements of beneficial position received from the NSDL and the CDSL as at the close of business hours on June 30, 2021.
- a. For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Bank in the FY 2021-22 provided valid PAN is registered by the members. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the FY 2021-22 does not exceed ₹ 5000. Even in the

cases where the members provide valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

Members who are required to link Aadhaar number with PAN as required under section 139AA(2) read with Rule 114AAA, should compulsorily link the same by June 30, 2021. If, as required under the law, any PAN is found to have not been linked with Aadhaar by June 30, 2021 then such PAN will be deemed invalid and TDS would be deducted at higher rates u/s 206AA of the Act. The Bank reserves its right to recover any demand raised subsequently on the Bank for not informing the Bank or providing wrong information about applicability of Section 206AA in your case.

NIL /lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:

- i. Insurance companies: Declaration by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;
- ii. Mutual Funds: Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income- tax Act, 1961 along with self-attested copies of registration documents and PAN card;
- iii. Alternative Investment Fund (AIF) established in India: Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.
- iv. New Pension System Trust: Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- v. Other shareholders - Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- vi. Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower / nil rate of deduction or an exemption certificate

issued by the income tax authorities along with Declaration.

- b. For Non-resident shareholders, (including Foreign Portfolio Investors) Tax is required to be withheld in accordance with the provisions of Section 195 and section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:
  - i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;
  - ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
  - iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
  - iv. Self-declaration by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the IT Act).
  - v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
  - vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).
- c. Please note that the Bank is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Bank, of the documents submitted by Non- Resident shareholder.



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- d. Accordingly, in order to enable the Bank to determine the appropriate TDS / withholding tax rate applicable, we request the members to provide these details and documents as mentioned above before June 30, 2021.
- e. The Bank shall arrange to email the soft copy of TDS certificate at the registered email ID of members post payment of the dividend.

## Section 206AB of the Act:

Rate of TDS @10% u/s 194 of the Act is subject to provisions of section 206AB of Act (effective from 1 July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the I-T Act has expired; and
- The aggregate of TDS and TCS in his case is ₹ 50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

Members are requested to inform us well in advance and before cut-off date if you are covered under the definition of 'specified person' as provided in section 206AB of the IT Act. The Bank reserves its right to recover any demand raised subsequently

on the Bank for not informing the Bank or providing wrong information about applicability of Section 206AB in your case.

## Updation of PAN, email address and other details:

Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Bank's registrar and share transfer agent. The Bank is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

## Updation of Bank account details:

Members are also requested to submit / update their bank account details with their Depository Participant, in case of holding shares in the electronic form. In case of shareholding in the physical form, members will have to submit a scanned copy of a duly signed covering letter, along with a cancelled cheque leaf with the members' name and bank account details and a copy of their PAN card, duly self-attested. This will facilitate receipt of dividend directly into the members' bank account. In case the cancelled cheque leaf does not bear the members' name, please attach a copy of the bank pass-book statement, duly self-attested.

Kindly note that the aforementioned documents are required to be uploaded before June 30, 2021 with Datamatics Business Solutions Limited, the R&T Agent at <https://tdsforms.datamaticsbpm.com/>

You can also visit their site at <https://www.datamaticsbpm.com/> under tab - **Service -> Registrar Transfer Agent -> RTA quick links -> Submission of Tax Exemption Forms** to download and upload the documents as applicable in order to enable the Bank to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination / deduction shall be entertained post June 30, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the members, there would still be an option available with members to file the return of income and claim an appropriate refund, if eligible.

No claim shall lie against the Bank for such taxes deducted.

For further information, Members are requested to refer to the email communication sent to them in this regard.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS

### Item No. 5:

The Members of the Bank, on July 18, 2020, had approved audit fees of ₹ 2,65,00,000 (Rupees Two Crores Sixty Five Lakhs Only) for the FY 2020-21 to MSKA & Associates, Statutory Auditors of the Bank. It is now proposed to ratify the additional fees of ₹ 55,00,000 (Rupees Fifty Five Lakhs only) payable to MSKA & Associates for additional certification and increase in scope / revision in Long Form Audit Report, as required by the RBI, for the FY 2020-21.

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

Your Directors recommend the passing of the resolution in Item no. 5 of the accompanying Notice.

### Item No. 6 & 7:

The members of the Bank at the 25<sup>th</sup> Annual General Meeting held on July 12, 2019 had approved the appointment of MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W), as the Statutory Auditors of the Bank for a period of 4 (four) years commencing from the FY 2019-20 till (and including) the FY 2022-23.

Subsequently, the Reserve Bank of India ("RBI") has on April 27, 2021, issued the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines"). In terms of the RBI Guidelines, the Statutory Auditors have to be appointed for a term of 3 years. The RBI Guidelines are applicable from the FY 2021-22. Therefore, the term of office of MSKA & Associates as Statutory Auditors of the Bank will need to be revised from 4 years to 3 years, i.e. 3 years from the FY 2019-20 till (and including) the FY 2021-22.

Further as per the RBI Guidelines, given that the Bank's asset size is more than the stipulated threshold in this regard, the Bank will need to appoint a minimum of two joint Statutory Auditors. Therefore, for the remainder of the term of MSKA & Associates, they will need to act as joint Statutory Auditor of the Bank, with such other joint Statutory Auditor(s) as the Bank may appoint.

Accordingly, the approval of the Members of the Bank is required in modification of the resolution passed by the Members of the Bank at the 25<sup>th</sup> Annual General Meeting held on July 12, 2019, and subject to applicable law and regulations (as may be amended, restated, modified, replaced from time to time), to revise the term of office for MSKA & Associates, Chartered

Accountants, as Statutory Auditors of the Bank from a term of 4 years to a term of 3 years, i.e. 3 years from the FY 2019-20 till (and including) the FY 2021-22, and that for the remainder of this revised term, MSKA & Associates shall act as joint Statutory Auditors of the Bank with such other joint Statutory Auditor(s) as the Bank may appoint (subject to the approval of RBI and the Members of the Bank).

The Board of Directors of the Bank vide its resolution dated June 18, 2021 has recommended M/s. M. M. Nissim & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 107122W/W100672) ["M.M. Nissim & Co. LLP"], being the first preferred firm to the RBI for appointment as joint Statutory Auditors of the Bank, for a period of 3 (Three) years with effect from the FY 2021-22 till and including the FY 2023-24, subject to the approval of the RBI for each year during this tenure.

Accordingly, the approval of Members of the Bank is required pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules thereunder and pursuant to Section 30 of the Banking Regulation Act, 1949 and guidelines issued by the RBI including any amendments, modifications, variations or re-enactments thereof and subject to approval of the RBI in this regard, for appointment of M.M. Nissim & Co. LLP, who have offered themselves for appointment and have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules and the guidelines issued by RBI dated April 27, 2021, as the joint Statutory Auditors of the Bank, to hold office for a period of 3 (Three) years with effect from the FY 2021-22 till and including the FY 2023-24, subject to the approval of the RBI for each year during this tenure, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, etc., including by reason of necessity on account of conditions as may be stipulated by the RBI and / or any other authority.

Further, subject to applicable law and regulations including the relevant guidelines and circulars of the RBI (as may be amended, restated, modified, replaced from time to time), M.M. Nissim & Co. LLP and MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W, who were already appointed as Statutory Auditors of the Bank at the 25<sup>th</sup> Annual General Meeting held on July 12, 2019), shall act as joint Statutory Auditors of the Bank for the remainder of the term of MSKA & Associates, and that M.M. Nissim & Co. LLP shall thereafter act as joint Statutory Auditors of the Bank with such new joint Statutory Auditor(s) who will be appointed by the Bank subject to prior permission of RBI and approval of the Members of the Bank from FY 2022-23 onwards.

MSKA & Associates and M.M. Nissim & Co. LLP, as joint Statutory Auditors, shall be paid the overall audit fees of ₹ 3,30,00,000 (Rupees Three Crore Thirty Lakhs Only) for FY 2021-22, with authority to the Board (including any other Committee thereof)



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to allocate the overall audit fees between MSKA & Associates and M.M. Nissim & Co. LLP, as may be mutually agreed between the Bank and the said joint Statutory Auditors, depending upon their respective scope of work, and additionally out of pocket expenses, outlays and taxes as applicable.

A special notice for moving resolution no. 7, as required under Section 140 (4) of the Companies Act, 2013, has also been received.

The Board of Directors recommends the appointment of the selected Statutory Auditor Firm as the Bank's joint Statutory Auditors based on a review of their profile, experience and specialization in audit of banking and financial service sector.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the passing of the resolutions in item nos. 6 & 7.

Your Directors recommend the passing of the resolutions in Item nos. 6 & 7 of the accompanying Notice.

## Item No. 8:

Vide resolution of the Members of the Bank passed at the 22<sup>nd</sup> Annual General Meeting dated July 21, 2016, the Members of the Bank approved for payment with effect from FY 2015-16, of profit related commission to non-executive directors including independent directors, except for part time Chairperson in aggregate not exceeding one percent of the net profit of the Bank for the relevant year subject to a maximum of ₹ 1 million per annum per director or any limits applicable under law / relevant guidelines, circulars, notifications issued by the Reserve Bank of India ("RBI") from time to time, in accordance with the applicable / relevant policy, if any, of the Board or the relevant Committee thereof, exclusive of sitting fees and reimbursement of out of pocket expenses for attending the Board and Committee meetings.

RBI on April 26, 2021 issued the Guidelines on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board ("RBI Guidelines"). In terms of the RBI Guidelines, in addition to sitting fees and expenses related to attending meetings of the Board and its committees as per extant statutory norms/ practices, the Bank may provide for payment of compensation to non-executive directors in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals, however, such fixed remuneration for a Non-Executive Director including independent directors, other than the Chair of the board, shall not exceed ₹ 20 lakh per annum each.

Pursuant to the RBI Guidelines, and considering the amount of time and effort devoted by the non-executive directors (NEDs) to the directorship of the Bank, their individual skill sets and

qualifications, time commitments and effective participation in the Board & Committee meetings, the Board of Directors have recommended payment of compensation of fixed remuneration of ₹ 20 lakh per annum per NED, other than the Part Time Non Executive Chairperson and has also effected amendments to the relevant policy in this regard.

In terms of Section 197 of Companies Act, 2013 and rules framed thereunder, except with the approval of the shareholders in general meeting, any remuneration payable to directors who are neither managing directors nor whole-time directors shall not in aggregate exceed one per cent of the net profits of the company, if there is a managing or whole time director or manager.

However, the existing NEDs shall continue to be entitled to the profit-related commission for the FY 2020-21 to be paid out in FY 2021-22, since it pertains to the period prior to the said RBI Guidelines. Further, NEDs will be paid fixed remuneration in accordance with the proposed resolution no. 8 (if approved by the Members) from the FY 2021-22 onwards.

Accordingly, subject to the aforesaid, the approval of the Members of the Bank is being sought in supersession of the resolution of the Members of the Bank passed at the 22<sup>nd</sup> Annual General Meeting dated July 21, 2016, for payment with effect from FY 2021-22, a fixed remuneration of ₹ 20 lakhs per annum per NED, other than the Part Time Non Executive Chairperson, or any other or different limits may be applicable under law / relevant RBI guidelines, from time to time, and subject to and in accordance with the decisions in this regard and/or the applicable / relevant policy, if any, of the Board or the relevant Committee thereof, in addition to payment of sitting fees and reimbursement of out of pocket expenses for attending the Board and Committee meetings.

The Board of Directors recommends the passing of this resolution.

None of the Directors, Key Managerial Personnel and their relatives, other than non-executive directors and their relatives are interested in the passing of the above resolution.

## Item No. 9:

The shareholders of the Bank, in its Annual General Meeting held on July 21, 2016, had approved the appointment of Mr. Umesh Chandra Sarangi as an Independent Director on the Board of the Bank to hold office for a period of five (5) years commencing from March 1, 2016 to February 28, 2021. Further, the Board of Directors of the Bank, on recommendation of the Nomination and Remuneration Committee, had on November 25, 2020 approved the re-appointment of Mr. Sarangi as Independent Director of the Bank to hold office for a further period from March 1, 2021 to February 5, 2022, i.e. till completion of his seventy (70) years

of age in accordance with the RBI regulations existing at that point in time, subject to the approval of shareholders. Thereafter, vide the RBI Circular dated April 26, 2021, the upper age limit for Non-Executive Directors was amended to seventy five (75) years of age. It may be noted that Section 149 of the Companies Act, 2013 allows independent directors to be appointed for two (2) consecutive terms of maximum five (5) years each. However, as per Section 10A (2A) of the Banking Regulation Act, 1949, no director of a banking company, other than its Chairman or Whole-Time Director, can hold office continuously for a period exceeding eight (8) years.

Accordingly, the Board of Directors of the Bank, at its meeting held on June 18, 2021, modified its earlier resolution dated November 25, 2020, to change the date of end of Mr. Sarangi's term under the re-appointment to February 29, 2024 (instead of February 5, 2022), i.e. till completion of his eight (8) continuous years as Director on the Board of the Bank, subject to the approval of shareholders. Mr. Sarangi would be seventy- two (72) years of age at the time of completion of his tenure as above.

The Bank has received a declaration from Mr. Sarangi to the effect that he continues to fulfil the criteria for independence stipulated in the Companies Act, 2013, rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board of Directors of the Bank, Mr. Sarangi is independent of the management of the Bank and fulfils the conditions specified in the Companies Act, 2013, the rules made thereunder and Regulation 16 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as required for re-appointment as an Independent Director. Further, the Board of Directors of the Bank is of the opinion that Mr. Sarangi is a person of integrity and has relevant experience and expertise to be re-appointed as Independent Director of the Bank for a period of three (3) years from March 1, 2021 to February 29, 2024, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief profile of Mr. Sarangi in terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with para 1.2.5 of the Secretarial Standard No. 2 on General Meetings has been given in this Explanatory Statement hereinafter.

Mr. Umesh Chandra Sarangi holds a Master's Degree in Science (Botany) from the Utkal University (gold medallist). Mr. Sarangi has over three decades of experience in the Indian Administrative Services and brought in significant reforms in modernization

of agriculture, focus on agro processing and export. As the erstwhile Chairman of the National Bank for Agriculture and Rural Development (NABARD) from December 2007 to December 2010, Mr. Sarangi focused on rural infrastructure, accelerated initiatives such as microfinance, financial inclusion, watershed development and tribal development.

Mr. Sarangi possesses specialized knowledge and practical experience in the field of agriculture and rural economy, as required by Section 10A(2)(a) of the Banking Regulation Act, 1949 and relevant circulars issued by the RBI from time to time.

Mr. Sarangi has actively contributed as a member of the Board and its various committees, providing his independent perspective. He continues to have relevant experience and expertise in the field of agriculture and rural economy, for him to be re-appointed as independent director of the Bank.

Mr. Sarangi shall continue to be entitled to remuneration by way of sitting fees as well as reimbursed expenses for attending Board and Committee meetings as applicable and fixed remuneration of ₹ 20,00,000/- (Rupees Twenty Lakhs) per annum from FY 2021-22 onwards in terms of the RBI Circular dated April 26, 2021, till the end of his proposed tenure.

During the FY 2020-21, Mr. Sarangi was paid ₹ 38,50,000/- (Rupees Thirty-Eight Lakhs and Fifty Thousand) as sitting fees for his attendance at the Board and Committee meetings and ₹ 10,00,000 (Rupees Ten Lakhs) as profit related commission pertaining to the FY 2019-20.

Certain additional information about Mr. Umesh Chandra Sarangi is as under:

Age	69 years
Date of first appointment on the Board	March 1, 2016
Number of meetings of the Board attended during the year	He attended seventeen (17) Board meetings held during FY 2020-21
Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.	Listed Companies: None Unlisted Companies: AIC Pinnacle Entrepreneurship Forum



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Memberships / chairmanships of committees of the Boards of other companies	Listed Companies: None Unlisted Companies: None
Number of shares held in the Bank	Mr. Sarangi along with his relatives does not hold any equity shares in the Bank as on March 31, 2021.
Terms and conditions of appointment or re-appointment including remuneration	Mr. Sarangi is an Independent Director not liable to retire by rotation. His terms of appointment shall be as approved by members, and he shall be paid sitting fees for attending Board and Committee meetings, as applicable, and profit related commission for the FY 2020-21 pursuant to the RBI Notification No. RBI/2014-15/617 - DBR.No.BC.97 / 29.67.001/2014-15 dated June 1, 2015 and fixed remuneration of ₹ 20,00,000/- (Rupees Twenty Lakhs) per annum from FY 2021-22 onwards till the end of his tenure in terms of the RBI Circular dated April 26, 2021.

None of the Directors, Key Managerial Personnel and their relatives, other than Mr. Umesh Chandra Sarangi and his relatives, are concerned / interested in the passing of this resolution. Mr. Sarangi is not related to any other Director or any Key Managerial Personnel of the Bank.

Your Directors recommend the passing of the resolution in Item no. 9 of the accompanying Notice.

## Item No. 10:

The tenure of the erstwhile Part Time Chairperson and Independent Director, Mrs. Shyamala Gopinath came to an end on January 1, 2021, in terms of the tenure approved by the Reserve Bank of India. Accordingly, the Board of Directors of the Bank, pursuant to the recommendation of the Nomination & Remuneration Committee, approved the appointment of Mr. Atanu Chakraborty as the Part Time Non-Executive Chairman and Independent Director of the Bank, subject to approval of the Reserve Bank of India (RBI) and the shareholders of the Bank. RBI, vide its letter dated April 22, 2021, has approved the appointment of Mr. Atanu Chakraborty as Part Time Chairman of the Bank in terms of Section 35B and other applicable provisions of the Banking Regulation Act, 1949. Accordingly, it is recommended to appoint Mr. Atanu Chakraborty as the Part Time Non-Executive Chairman and Independent Director of the Bank for a period of three years w.e.f May 5, 2021, at a remuneration of ₹ 35,00,000 (Rupees Thirty Five Lakhs only) [as approved by RBI and as may be varied at annual or periodic

intervals as per the recommendations of the NRC, approval of the Board and RBI], free use of Bank's car for official and private purpose, as well as sitting fees and reimbursement of expenses for attending meetings of the Board and Committees, as applicable.

Brief profile of Mr. Atanu Chakraborty in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standard on the General Meetings has been given in this Explanatory Statement hereinafter.

Mr. Atanu Chakraborty served the Government of India, for a period of thirty-five (35) years, as a member of Indian Administrative Service (IAS) in Gujarat cadre. He has mainly worked in areas of Finance & Economic Policy, Infrastructure, Petroleum & Natural Gas. In the Union Government, he held various posts such as Secretary to Government of India in the Ministry of Finance (Dept. of Economic Affairs) during FY 2019-20. As Secretary (DEA), he co-ordinated economic policy making for all ministries/departments and managed entire process of formulation of budget making for Union of India, including its passage in Parliament. He was responsible for fiscal management policies, policies for public debt management and development & management of financial markets.

Mr. Chakraborty also handled financial stability and currency, domestic & foreign related issues as well. He managed flow of funds with multilateral and bilateral financial institutions and had multiple interfaces with them. He also headed a multi-disciplinary task force that produced the National Infrastructure Pipeline (NIP). He has also served as Secretary to the Union Government for Disinvestment (DIPAM) wherein he was responsible for both policy as well as execution of the process of disinvestment of Government of India's stake in state owned enterprises. During the period 2002-07, Mr. Chakraborty served as Director and subsequently as Joint Secretary, Ministry of Finance (Department of Expenditure). During this period, he appraised projects in the Infrastructure sector as well as looked after subsidies of Government of India. He had also updated and modernized the Government's Financial & Procurement rules.

Mr. Chakraborty has also discharged varied roles in the Gujarat State Government including heading the Finance Department as its Secretary. He had been responsible for piloting the private sector investment legislation in the State. In the State Govt., he has worked on the ground in both public governance and development areas. Mr. Chakraborty has also served on the Board of World Bank as alternate Governor as well as on the Central Board of Directors of the Reserve Bank of India. He was also the Chairman of National Infrastructure Investment Fund (NIIF) as also on the Board of many listed companies. Mr. Chakraborty was also the CEO/MD of the GSPC group of companies as well as Gujarat State Fertilizers and Chemicals Ltd. Mr. Chakraborty had published articles in reputed journals



in the areas of public finance, risk sharing in Infrastructure projects and gas infrastructure. Mr. Chakraborty graduated as a Bachelor in Engineering (Electronics & Communication) from NIT Kurukshetra. He holds a Diploma in Business Finance (ICFAI, Hyderabad) and a Master's degree in Business Administration from the University of Hull, UK.

The Bank has received a declaration from Mr. Chakraborty to the effect that he fulfils all criteria for independence stipulated in the Companies Act, 2013 and the Listing Regulations. In the opinion of the Board of Directors of the Bank, Mr. Chakraborty is independent of the management of the Bank and fulfils the conditions specified in the Companies Act, 2013, the rules made thereunder and Regulation 16 of the Listing Regulations for appointment as an Independent Director. Further the Board of Directors of the Bank is of the opinion that Mr. Chakraborty is a person of integrity and has relevant experience and expertise to be appointed as Independent Director of the Bank. Based on the skills, experience and knowledge of Mr. Chakraborty the Board of Directors recommend appointment of Mr. Atanu Chakraborty as the Part time Non Executive Chairman and an Independent Director.

Certain additional information about Mr. Chakraborty is as under:

Age	61 years
Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.	Listed Companies: None Unlisted Companies: BAE Systems India (Services) Private Limited
Memberships / chairmanships of committees of the Boards of other companies	Listed Companies: None Unlisted Companies: None
Number of shares held in the Bank	Mr. Chakraborty, along with his relatives, does not hold any equity shares in the Bank as on March 31, 2021.

Terms and conditions of appointment or re-appointment including remuneration	Mr. Atanu Chakraborty shall be appointed as Part Time Non Executive Chairman and Independent Director, not liable to retire by rotation, for a period of three (3) years w.e.f May 5, 2021, at a remuneration of ₹ 35,00,000 (Rupees Thirty Five Lakhs only) [as approved by RBI and as may be varied at annual or periodic intervals as per the recommendations of the NRC, approval of the Board and RBI], free use of Bank's car for official and private purpose, as well as sitting fees and reimbursement of expenses for attending meetings of the Board and Committees, as applicable.
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The Nomination and Remuneration Committee of the Bank has recommended the appointment of Mr. Chakraborty and the Board has accepted the same.

None of the Directors, Key Managerial Personnel and their relatives, other than Mr Atanu Chakraborty and his relatives, are interested in passing of the above resolution. Mr. Chakraborty is not related to any of the Directors or any other Key Managerial Personnel of the Bank.

Your Board of Directors recommend passing of the resolution set out in Item No. 10 of the accompanying Notice.

#### Item No. 11:

The Board of Directors of the Bank, on recommendation of the Nomination and Remuneration Committee, had approved the appointment of Dr. (Ms.) Sunita Maheshwari as Additional Independent Director of the Bank on March 30, 2021, to hold office up to the ensuing Annual General Meeting. The Bank has received a declaration from Dr. (Ms.) Maheshwari to the effect that she fulfils all criteria for independence stipulated in the Companies Act, 2013 and the Listing Regulations. In the opinion of the Board of Directors of the Bank, Dr. (Ms.) Maheshwari is independent of the management of the Bank and fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder for appointment as an independent director. Further the Board of Directors of the Bank is of the opinion that Dr. (Ms.) Maheshwari is a person of integrity and has relevant experience and expertise for her to be appointed as independent director of the Bank. Dr. (Ms.) Maheshwari will be entitled to remuneration by way of sitting fees as well as reimbursed expenses for attending Board and Committee meetings as applicable and fixed remuneration of ₹ 20,00,000/- (Rupees Twenty Lakhs) per annum from FY 2021-22 onwards till the end of her tenure in terms of the RBI Circular dated April 26, 2021. Dr. (Ms.) Maheshwari possesses specialized experience inter



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alia in the field of small scale industries, as required by Section 10A (2-a) of the Banking Regulation Act, 1949. Accordingly, the approval of the shareholders is now sought for the appointment of Dr. (Ms.) Sunita Maheshwari as Independent Director, not liable to retire by rotation, to hold office for a period of five (5) years, w.e.f March 30, 2021 till March 29, 2026.

Brief profile of Dr. (Ms.) Sunita Maheshwari in terms of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standard on the General Meetings has been given in this Explanatory Statement hereinafter.

Dr. (Ms.) Sunita Maheshwari is a US Board certified Pediatric Cardiologist, and completed her MBBS at Osmania Medical College followed by post-graduation at AIIMS, Delhi and Yale University in the US. With over 30 years of experience, she has lived and worked in the US and India. In addition to being a clinician, Dr. (Ms.) Maheshwari is a medical entrepreneur and co-founder at:

(a) Teleradiology Solutions (India's first and largest teleradiology company that has provided over 5 million diagnostic reports to patients and hospitals globally including for the Tripura state government),

(b) Telrad Tech which builds AI enabled tele health software and

(c) RXDX healthcare - a chain of multi-specialty neighborhood clinics in Bangalore.

She has also incubated other start-up companies in the tele-health space such as Healtheminds – a tele-counselling platform. She is active in the social arena in India where she runs 2 trust funds. 'People4people' has put up over 450 playgrounds in government schools and Telrad Foundation provides teleradiology and telemedicine services to poor areas in Asia that do not have access to high quality medical care. Her other interests include teaching - she has been running India's e-teaching program for postgraduates in Pediatric Cardiology for over a decade. In 2019, she helped the Kerala National health mission Hridayam launch e-classes in pediatric cardiology for pediatricians in the state.

She has over 200 academic presentations and publications to her credit and is an inspirational speaker having given over 200 lectures, including several TEDx talks. Dr. (Ms.) Maheshwari is the recipient of several prestigious awards and honours including: WOW (Woman of Worth) 2019 award, Outlook Business; 50 most powerful women of India, March 2016; Amazing Indian award- Times Now 2014; Top 20 women Health care achievers in India, Modern Medicare 2009; Yale University- Outstanding Fellow Teacher of the Year Award, 1995, amongst others.

Certain additional information about Dr. (Ms.) Maheshwari is as under:

Age	55 years
Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.	Listed Companies: GlaxoSmithKline Pharmaceuticals Ltd Unlisted Companies: <ul style="list-style-type: none"> <li>• Teleradiology Solutions Private Limited</li> <li>• Telerad Rx Dx Healthcare Private Limited</li> <li>• Telerad Tech Private Limited</li> <li>• Image Core Lab Private Limited</li> <li>• Healtheminds Solutions Private Limited</li> </ul>
Memberships / chairmanships of committees of the Boards of other companies	Listed Companies: CSR Committee of GlaxoSmithKline Pharmaceuticals Ltd Unlisted Companies: None
Number of shares held in the Bank	Dr. (Ms.) Maheshwari, along with her relatives, does not hold any equity shares in the Bank as on March 31, 2021.
Terms and conditions of appointment or re-appointment including remuneration	Dr. (Ms.) Sunita Maheshwari shall be appointed as Independent Director, not liable to retire by rotation, to hold office for a period of five (5) years, w.e.f March 30, 2021 till March 29, 2026. She will be entitled to sitting fees and reimbursement of expenses for attending Board and Committee meetings, in addition to fixed remuneration of ₹ 20,00,000/- (Rupees Twenty Lakhs) per annum from FY 2021-22 onwards till the end of her tenure in terms of the RBI Circular dated April 26, 2021.

The Nomination and Remuneration Committee of the Bank has recommended the appointment of Dr. (Ms.) Maheshwari and the Board has accepted the same.

None of the Directors, Key Managerial Personnel and their relatives, other than Dr. (Ms.) Maheshwari and her relatives, are interested in passing of the above resolution. Dr. (Ms.) Maheshwari is not related to any of the Directors or any other Key Managerial Personnel of the Bank.

Your Board of Directors recommend passing of the resolution set out in Item No. 11 of the accompanying Notice.

## Item No. 12:

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") require shareholders' approval by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm's length basis. Pursuant to the provisions of the Listing Regulations, the members at the Annual General Meeting held on

July 18, 2020 had ratified and approved the related party transactions entered into with Housing Development Finance Corporation Limited ("HDFC Limited") in the FY 2020-21 notwithstanding that such transactions on aggregate basis might exceed the applicable materiality threshold. A transaction with a related party shall be considered material if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a FY, exceed(s) 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Under one of the arrangements between the Bank and HDFC Limited, the Bank sources home loans for HDFC Limited through its branches across India and HDFC Limited, after necessary due diligence (credit, legal and technical appraisal), approves and disburses the loans. The loans are booked in the books of HDFC Limited and the Bank is paid consideration as agreed upon mutually from time to time. As per this arrangement the Bank has a right but not an obligation to buy up to 70% or such percentage as may be mutually agreeable of the sourced and disbursed home loans. The loans are purchased by the Bank from time to time. Further, HDFC Limited is paid a consideration as agreed upon mutually from time to time for servicing of the home loans assigned by it / securitized.

The above arrangement has been approved by the Board of Directors of the Bank. The arrangement for sourcing of the home loans and also of purchase thereof is in the ordinary course of business of the Bank and on an arm's length basis. The Board is of the opinion that such arrangement is beneficial to the Bank based on economic and commercial factors. The Bank gets the benefit of an additional retail finance product to meet its customers' home loan needs together with the expertise of HDFC Limited in credit, legal and technical appraisal of home loans. The arrangement facilitates the Bank to build its own book of this loan portfolio, helps the Bank in achievement of priority sector lending targets as stipulated by the RBI as well as increasing its asset and customer base. Additionally, the tenure of home loans being relatively longer helps the Bank in better asset liability management over the long term. For both the entities, the arrangement synergizes distribution, product and processing / servicing strengths across the two entities. The customer also gets one of the best home loan products available in the market. The arrangement encompasses the strengths of both HDFC Limited and the Bank, its shareholders and its customers benefit from the synergy arising therefrom. As per the arrangement, the home loans assigned by HDFC Limited / securitized continue to be serviced by HDFC Limited, for which it is paid a consideration on mutually agreeable terms.

There are also other transactions with HDFC Limited, including banking transactions (such as deposits) and including those as disclosed in the notes forming part of the financial statements, being a related party of the Bank pursuant to Regulation 23 of the Listing Regulations and under the Companies Act, 2013. The above transactions are in the ordinary course of business of the

Bank and on an arm's length basis and are as such exempt from the provisions of Section 188 (1) of the Companies Act, 2013.

The Audit Committee of the Bank has granted omnibus approval for purchase of home loans from HDFC Limited up to a limit of ₹ 28,000 crores for the FY 2020-21 and of ₹ 40,000 crores for the FY 2021-22 and has noted that the said transactions are on arms' length basis and in the ordinary course of the Bank's business. The Audit Committee has also granted approval for other types of transactions with HDFC Limited under the omnibus route for the FY 2021-22 and the Audit Committee has noted that the said transactions are on arm's length basis and in the ordinary course of the Bank's business.

The transactions have been continued so far in the FY 2021-22. In the FY 2021-22 as well, these transactions are expected to cross the applicable materiality thresholds. Accordingly, as per the Listing Regulations, approval of the members is sought for ratification of all these arrangements / transactions undertaken (whether individual transactions or transactions taken together or series of transactions or otherwise), whether by way of continuation / extension / renewal / modification of earlier arrangements / transactions or otherwise, so far in the FY 2021-22.

As mentioned above, the Bank's transactions in aggregate in the FY 2021-22 with HDFC Limited are expected to exceed the prescribed threshold limits under the Listing Regulations so as to qualify as material related party transactions thereunder. The Bank now proposes to obtain approval of the members for ratifying as also granting further approval to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted / empowered/ to be constituted by the Board from time to time to exercise its powers conferred by the said resolution) for carrying out and / or continuing with arrangements and transactions (whether individual transactions or transactions taken together or series of transactions or otherwise) with HDFC Limited, being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or otherwise including banking transactions, transactions for sourcing of home loans for HDFC Limited against the consideration of the commission agreed upon or as may be mutually agreed upon from time to time and of a right but not an obligation to purchase from HDFC Limited such percentage of home loans sourced and disbursed as may be agreed from time to time mutually between the Bank and HDFC Limited, transactions of purchase from time to time of the loans sourced and disbursed, servicing by HDFC Limited of home loans assigned by it / securitized against the consideration of the fee agreed upon or as may be agreed upon from time to time and any other transactions, including transactions as may be disclosed in the notes forming part of financial statements for the relevant period, notwithstanding the fact that all these transactions within the FY 2021-22 in aggregate may exceed 10% of the annual consolidated turnover of the Bank as per the last audited financial statements or any materiality



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threshold for qualifying a transaction as material related party transaction as may be applicable from time to time under the law or regulations.

The above transactions are in the ordinary course of business of the Bank and on an arm's length basis, and as such the approval of members under Section 188 of the Companies Act, 2013 and rules thereunder is not required, however, for abundant caution, approval of members under the said Section 188 and rules thereunder is also being sought for such of the aforesaid transactions which have not yet been entered into.

Separately, the Bank has agreed to purchase from HDFC Limited, 3,55,67,724 equity shares of HDFC Ergo General Insurance Company Limited ("HDFC Ergo") representing 4.99% (four point nine nine per cent) of the outstanding paid up equity share capital of HDFC Ergo, for an aggregate consideration of ₹ 19,064,300,064 (Rupees One Thousand Nine Hundred Six Crore Forty-three Lakhs Sixty-four only). The said consideration has been arrived at based on a valuation report issued by an independent valuer. This proposed transaction is subject to customary conditions precedent including receipt of approvals/no-objections as may be required under law or regulations or otherwise. As per the agreed terms of the acquisition, the Bank will inter alia have various rights and obligations in relation to its shares, including: (a) the right but not the obligation to participate in future equity capital issuances by HDFC Ergo (excluding issuance of ESOPs), (b) subject to and after an agreed lock-in period on sale of shares by the Bank, the right to require the present promoter shareholders of HDFC Ergo to find a buyer for the Bank's shares in HDFC Ergo for a price being at least at fair market value or to sell its shares to a third party who meets the fit and proper criteria and who is not a competitor to HDFC Ergo, if the said promoter shareholders do not acquire the Bank's shares, and (c) preferential tag-along rights in case of a sale of shares by HDFC Limited beyond a certain threshold. The Bank has also agreed to give a right of first buy to the said promoter shareholders in relation to the sale of said shares by the Bank post such lock-in period. Further, the Bank is of the view that HDFC Limited has an important role in the growth and development of HDFC Ergo as a promoter. Accordingly, and in view of the aforesaid rights, the Bank has agreed with HDFC Limited that the Bank shall support and cast its votes on the shares being acquired by the Bank (of HDFC Ergo) in accordance with the votes cast by HDFC Limited ("Indian Promoter"), and such agreement for casting votes shall continue as long as the following conditions are met (including grace periods for meeting such conditions, if any) (i) HDFC Ergo achieves a certain agreed growth parameter for next 5 years (failing which the agreement for casting votes will be mutually reviewed) (ii) Indian Promoter continues to be in control of HDFC Ergo and (iii) Indian Promoter continues to take on/ backstop promoter/ co-promoter obligations, if any, of the Bank.

For convenience, the aforesaid transactions for purchase of securities from HDFC Limited (including of HDFC Ergo)

are being referred to as "Securities Purchase Transactions". The approval of members is being sought under the Listing Regulations for the Securities Purchase Transactions along with the other transactions with HDFC Limited, being related party transactions. However, the Securities Purchase Transactions will not be clubbed with the other transactions with HDFC Limited (which as mentioned above, are exempt from Section 188), for the purposes of testing the monetary thresholds prescribed under the rules under Section 188, and as such the said thresholds are not being breached by the Securities Purchase Transactions, the approval of members under the said Section 188 is not required for the same. Despite the said position, for abundant caution, approval of the members under the said Section 188 and rules thereunder is still being sought under this Resolution under item no. 12 along with approval under Listing Regulations.

Accordingly, your Board of Directors recommends the passing of the resolution contained in Item No. 12 of the accompanying Notice.

Mrs. Renu Karnad, being a Director on the Board of the Bank as well as on the Board of HDFC Limited, and her relatives are interested in the above resolution.

None of the other Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in HDFC Limited, are concerned / interested in the above resolution.

The members may please note that in terms of the provisions of the Listing Regulations, the related parties as defined thereunder (whether the member is a related party / party to the aforesaid transactions or not), shall not vote to approve resolutions under this Item No. 12.

## Item No. 13:

The provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") requires shareholders' approval by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm's length basis.

Pursuant to the provisions of the Listing Regulations, the members at the Annual General Meeting held on July 18, 2020 had ratified and approved the related party transactions entered into with HDB Financial Services Limited ("HDBFSL") in the FY 2020-21 notwithstanding that such transactions on aggregate basis might exceed the applicable materiality threshold.

A transaction with a related party shall be considered material if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a financial year, exceed(s) 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.



The Bank periodically undertakes asset backed / mortgage backed securitization / loan assignment transactions with various originators. In this regard, the Bank is proposing to undertake securitization / loan assignment transactions, as to banking transactions and any other transactions including those as may be disclosed in the notes forming part of financial statements for the relevant period, with HDBFSL, being a subsidiary company of the Bank and a related party of the Bank pursuant to Regulation 23 of the Listing Regulations and under the Companies Act, 2013. The above transactions are in the ordinary course of business of the Bank and on an arm's length basis and are as such exempt from the provisions of Section 188 (1) of the Companies Act, 2013. The Bank benefits from the securitization / loan assignment transactions by acquisition of additional retail loan portfolio on its books and by the meeting of its targets for priority sector lending as stipulated by the RBI. There are also other transactions with HDBFSL, including banking transactions and including those as disclosed in the notes forming part of the financial statements.

The Audit Committee of the Bank has granted omnibus approval for the related party transactions proposed to be entered into by the Bank with HDBFSL in the FY 2021-22. The Audit Committee has also noted that the said transactions with HDBFSL are on arm's length basis and in the ordinary course of the Bank's business.

The transactions have continued so far in the FY 2021-22. In the FY 2021-22, the aforementioned transactions in aggregate are expected to exceed the applicable materiality thresholds. Accordingly, as per the Listing Regulations, approval of the members is sought for ratification of all these arrangements / transactions undertaken (whether individual transactions or transactions taken together or series of transactions or otherwise), with HDBFS being a related party, whether by way of continuation / extension / renewal / modification of earlier arrangements / transactions or otherwise, so far in the FY 2021-22. The Bank proposes to obtain approval of the members for ratifying as also for giving further approval to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for carrying out / continuing with / undertaking transactions (whether individual transactions or transactions taken together or series of transactions or otherwise) including of securitization / loan assignment transactions, servicing arrangements, if any, banking transactions and any other arrangements / transactions whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or otherwise against such consideration agreed upon or as may be mutually agreed upon from time to time between the Bank and HDBFSL, including those as may be disclosed in the notes forming part of financial statements for the relevant period, notwithstanding the fact that all these transactions within the FY 2021-22 in aggregate may

exceed 10% of the annual consolidated turnover of the Bank as per the last audited financial statements or any materiality threshold for qualifying a transaction as material related party transaction as may be applicable from time to time under the law or regulations.

The above transactions are in the ordinary course of business of the Bank and on an arm's length basis.

Accordingly, your Board of Directors recommends the passing of the resolution contained in Item No. 13 of the accompanying Notice.

None of the other Directors, Key Managerial Personnel and their relatives, other than to the extent of their shareholding in HDBFSL, are concerned / interested in the above resolution.

The members may please note that in terms of the provisions of the Listing Regulations, the related parties as defined thereunder (whether the member is a related party / party to the aforesaid transactions or not), shall not vote to approve resolutions under this Item No. 13.

#### **Item No. 14:**

The Reserve Bank of India ("RBI") has issued guidelines on July 15, 2014 on 'Issue of Long Term Bonds by Banks - Financing of Infrastructure and Affordable Housing' to ensure availability of funding to such sectors.

These guidelines enable banks to raise long term funds from the market. Accordingly, the Board of Directors by resolution dated April 17, 2021 has approved to seek the consent of the Members of the Bank for borrowing / raising funds in Indian currency by issue of unsecured Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Long Term Bonds (financing of infrastructure and affordable housing) in domestic market on a private placement basis and / or for making offers and / or invitations therefor and / or issue(s) / issuances therefor, for a period of one (1) year from the date hereof, in one or more tranches of an amount in aggregate, not exceeding ₹ 50,000 crores. Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company can make private placement of securities subject to the condition that such subscription of securities has been previously approved by the shareholders of the company, by a special resolution, for each of the offers or invitations. In case of offer or invitation for subscription of non-convertible debentures (NCDs), it shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitations for subscriptions of such debentures during the year, even if the amount to be borrowed/ raised exceeds/will exceed the limit as specified in clause (c) of sub-section (1) of section 180 of the Companies Act, 2013. The amounts proposed to be raised together with the amounts already borrowed exceed the total of the Bank's paid-up share capital, free reserves and securities premium.



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The approval by way of special resolution of the members is, therefore, sought for issue of aforesaid unsecured NCDs / bonds in terms of said RBI guidelines on a private placement basis, in one or more tranches / series and under one or more shelf disclosure documents and / or one or more letters of offer, for a period of one (1) year from the date of passing of the resolution, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board, in the prevailing market conditions. The offer shall be made to such persons as identified pursuant to Section 42 (2) of the Companies Act, 2013.

The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of NCDs by the Bank for a period of one (1) year from the date on which the members have provided the approval by way of a special resolution proposed as per Item No. 14 above. The pricing of the unsecured Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Long Term Bonds (financing of infrastructure and affordable housing) would be in accordance with the applicable statutory guidelines, for cash, either at par or premium or at a discount to face value depending upon the prevailing market conditions. These bonds would be raised at a fixed rate or at a floating rate.

Your Board of Directors accordingly recommend approval of the resolution set out in Item No. 14 of the accompanying notice.

None of the Directors, Key Managerial Personnel and their relatives are interested in the passing of the above resolution.

## Item No. 15:

The Bank has an Employees' Stock Option Scheme, 2007 ("ESOS-Plan D-2007") framed in line with the then existing guidelines of the Securities and Exchange Board of India which has since been replaced by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time ("SBEB Regulations").

### Proposed amendments ("Part A")

There may be movement/transfer of the Employees of the Bank within/to the group companies (namely subsidiary companies of the Bank) subject to the requirements of the relevant subsidiary company of the Bank. The Bank is of the view that such movements/transfers would strengthen the skill and resource inventory for the group. When employees move to the subsidiary companies of the Bank as part of the aforementioned reasons, such employees may have to resign from the services of the Bank and become an employee of another such subsidiary company of the Bank. The Bank currently allows for providing continuity of service for the purpose of Gratuity. The Bank would also like to extend continuity service for Long Term Incentives (LTIs) earned during the course of service with the Bank during such transfer. For this purpose, Bank proposes to amend the ESOS-

Plan D-2007 with the intent that any employee being moved/ getting transferred to a subsidiary company of the Bank can continue to be entitled to the stock options, already granted to such an employee under the ESOS-Plan D-2007, prior to his/her resignation from the Bank to move/transfer to such subsidiary company. This is an important step to ensure that employees being moved/being transferred to the subsidiary companies of the Bank are not disadvantaged by such movements/transfers.

Accordingly, the following amendments are proposed to the ESOS-Plan D-2007:

1. Amend the definition of the term 'Employee' under Point 1 of Clause A of the ESOS-Plan D-2007, to read as under:

*"1. "Employee" shall mean*

*(i) any permanent employee of the Bank from the grade of executive to the Managing Director and directors of the Bank, if any (either on the date of this scheme or thereafter) and shall include any employee of the Bank who has joined on the request of the Bank the employment of any company which is a subsidiary, or an affiliate company or sister concern of the Bank.*

*(ii) an Employee of the Bank who upon grant of Options under this Employee Stock Option Scheme is transferred/moved by the Bank to a Subsidiary or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, such person shall be treated as an "Employee" to the extent of vesting and exercise of such Options already granted under this Employee Stock Option Scheme up to the date of his such resignation from the Bank, however not for any fresh grant of Options from and after the date of his such resignation from the Bank."*

2. Add the following definitions after Point 14 of Clause A of the ESOS-Plan D-2007:

*"15. "Date of Resignation" / "Date of Termination" shall mean the day after which the Employee ceases to be in the employment of the Bank, however for the Employee defined under Point 1 (ii) of Clause A of this Employee Stock Option Scheme, shall mean the day after which such Employee ceases to be in the employment of the Subsidiary mentioned in the said Point 1 (ii) of Clause A of this Employee Stock Option Scheme.*

*16. "Subsidiary" shall mean any 'subsidiary company' of the Bank as per Section 2 (87) of the Companies Act, 2013, as amended from time to time."*

3. Amend Section 3 of Clause H of the ESOS-Plan D-2007, to read as under:

*"3. Resignation / Termination of employment*

- (i) *In the event of resignation or termination of employment of the Employee, with the Bank or with the Subsidiary referred to in Point 1 (ii) of Clause A of this Employee Stock Option Scheme, as the case may be, all Options not vested as on the Date of Resignation/ Date of Termination, shall stand forfeited. However, the Employee shall be entitled to retain all the vested Options as on the Date of Resignation/ Date of Termination and Exercise the same within a period of six months from the Date of Resignation/ Date of Termination. Provided, however such resignation or termination is not on account of misconduct or misdemeanour of the Employee. After expiry of six months, the vested options shall get lapsed, if not exercised.*
- (ii) *The Compensation Committee (in case of Bank) and appropriate committee constituted by the relevant Subsidiary (in case of Subsidiary), as the case may be, shall have absolute discretion in determining whether there has been any "misconduct" or "misdemeanour" on part of the Employee and the decision of the Compensation Committee (in case of Bank) and appropriate committee constituted by the relevant Subsidiary (in case of Subsidiary), as the case may be, in this regard shall be final and binding on the Employee. If the resignation or termination of the Employee is attributable to misconduct / misdemeanour of the Employee as above, then in that event all Options vested in the Employee shall forthwith lapse and the Employee shall not be entitled to Exercise such Options. Such options shall be liable to be forfeited by the Bank."*

4. Add the following Section after Section 5 of Clause H of the ESOS-Plan D-2007:

*"5A Transfer, movement, deputation, etc.*

*In the event that an Employee of the Bank who has been granted Options under this Employee Stock Option Scheme has been transferred/moved by the Bank to a Subsidiary of the Bank or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, the vesting and exercise of such Options granted under this Employee Stock Option Scheme up to the date of his resignation from the Bank, shall continue in accordance with the provisions*

*of this Employee Stock Option Scheme even after such transfer/movement."*

The aforesaid amendments shall be applicable for all options already granted under the ESOS-Plan D- 2007, which are pending vesting and/or exercise

**Proposed amendments ("Part B")**

As per the Reserve Bank of India's Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dated November 4, 2019 (as may be amended, replaced, restated from time to time) the Bank is mandatorily required to put in place appropriate modalities to incorporate malus/ clawback mechanism with respect to the variable pay granted to Whole Time Directors / Chief Executive Officers / Material Risk Takers of the Bank. A malus arrangement permits the Bank to prevent vesting of all or part of the amount of a deferred remuneration and a clawback provision requires an employee to return previously paid or vested remuneration to the Bank under certain circumstances. Pursuant to this regulatory requirement, the Bank has incorporated malus and clawback provisions in its compensation policy/ employment contracts and therefore, for this purpose, the Bank also proposes to amend the ESOS-Plan D-2007 to capture the malus and clawback provisions.

Accordingly, the following amendments are proposed to the ESOS-Plan D-2007:

1. Insert the following Clause as Clause Q of the ESOS-Plan D-2007 as under:

**"CLAUSE Q**

*The Grant, Vesting and Exercise of Options under this Employee Stock Option Scheme shall be subject to the Malus and Clawback provisions under the Bank's Compensation Policy, as may be amended, replaced, restated, substituted from time to time, or as may be communicated by the Bank to the Employees, or as per the revisions to the employment contracts/terms, in accordance with the Reserve Bank of India's Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff dated November 4, 2019, as may be amended, replaced, substituted, restated from time to time."*

The aforesaid amendments will be applicable from the Bank's compensation cycle effective April 1, 2020.

As per the SBEB Regulations, any variation to the terms of the ESOS-Plan D-2007 requires the approval of Members by way of a special resolution. There are no other changes to the existing terms of the ESOS-Plan D-2007. While the NRC and the Board are authorised by the earlier resolution dated June 16, 2007 in this regard, to make appropriate amendments, in the terms and conditions of the ESOS-Plan D-2007, however, this approval of



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Members by way of special resolution is still being sought for abundant caution.

None of the Directors or Key Managerial Personnel of the Bank including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of grant of stock options to them, if any, under the ESOS-Plan D-2007.

The Directors recommend the Resolution at Item No. 15 of the accompanying Notice for approval of the Members of the Bank.

## Item No. 16:

The Bank has an Employees' Stock Option Scheme, 2010 ("ESOS-Plan E-2010") framed in line with the then existing guidelines of the Securities and Exchange Board of India which has since been replaced by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time ("SBEB Regulations").

### Proposed amendments ("Part A")

There may be movement/transfer of the Employees of the Bank within/to the group companies (namely subsidiary companies of the Bank) subject to the requirements of the relevant subsidiary company of the Bank. The Bank is of the view that such movements/transfers would strengthen the skill and resource inventory for the group. When employees move to the subsidiary companies of the Bank as part of the aforementioned reasons, such employees may have to resign from the services of the Bank and become an employee of another such subsidiary company of the Bank. The Bank currently allows for providing continuity of service for the purpose of Gratuity. The Bank would also like to extend continuity service for Long Term Incentives (LTIs) earned during the course of service with the Bank during such transfer. For this purpose, Bank proposes to amend the ESOS-Plan E-2010 with the intent that any employee being moved/ getting transferred to a subsidiary company of the Bank can continue to be entitled to the stock options, already granted to such an employee under the ESOS-Plan E-2010, prior to his / her resignation from the Bank to move/transfer to such subsidiary company. This is an important step to ensure that employees being moved/being transferred to the subsidiary companies of the Bank are not disadvantaged by such movements/transfers.

Accordingly, the following amendments are proposed to the ESOS-Plan E-2010:

Amend definition of the term "Date of Resignation" / "Date of Termination" under Point 5 of Clause A of the ESOS-Plan E-2010, to read as under:

*"5. "Date of Resignation" / "Date of Termination" shall mean the day after which the Employee ceases to be in the employment of the Bank, however for the Employee defined under Point 6(ii) of Clause A of this Scheme, shall mean the day after which such*

*Employee ceases to be in the employment of the Subsidiary mentioned in the said Point 6(ii) of Clause A of this Scheme."*

Amend the definition of the term 'Employee' under Point 6 of Clause A of the ESOS-Plan E-2010, to read as under:

### "6. "Employee" shall mean

- (i) *any permanent employee of the Bank, present as well as future, in the middle and senior management levels and directors in whole time employment of the Bank, i.e. permanent employees from the grade of Senior Manager and/or any equivalent restructured grade to the whole time Directors including the Managing Director, and shall include any employee of the Bank who has been deputed / seconded by the Bank to any company which is a subsidiary, or an affiliate company or sister concern of the Bank.*
- (ii) *an Employee of the Bank who upon grant of Options under this Scheme is transferred / moved by the Bank to a Subsidiary or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, such person shall be treated as an "Employee" to the extent of vesting and exercise of such Options already granted under this Scheme up to the date of his such resignation from the Bank, however not for any fresh grant of Options from and after the date of his such resignation from the Bank."*

Add the following definition after Point 17 of Clause A of the ESOS-Plan E-2010:

*"17A "Subsidiary" shall mean any 'subsidiary company' of the Bank as per Section 2 (87) of the Companies Act, 2013, as amended from time to time."*

Amend Section 3 of Clause H of the ESOS-Plan E-2010, to read as under:

### "3. Resignation / Termination of employment

- (i) In the event of resignation or termination of the employment of the Employee, with the Bank or with the Subsidiary referred to in Point 6 (ii) of Clause A of this Scheme, as the case may be, all Options not vested as on the Date of Resignation/ Date of Termination, shall stand forfeited. However, the Employee shall be entitled to retain all the vested Options as on the Date of Resignation / Date of Termination and Exercise the same within a period of six months from the Date of Resignation / Date of Termination. Provided however, such resignation or termination is not on account of misconduct or misdemeanour of the Employee. After



expiry of the said six months, the vested Options shall get lapsed, if not exercised.

- (ii) The Compensation Committee (in case of Bank) and appropriate committee constituted by the relevant Subsidiary (in case of Subsidiary), as the case may be, shall have absolute discretion in determining whether there has been any “misconduct” or “misdemeanour” on the part of the Employee and the decision of the Compensation Committee / appropriate committee of the Subsidiary in this regard shall be final and binding on the Employee. If the resignation or termination of the Employee is attributable to misconduct / misdemeanor of the Employee as above, then in that event all the Options granted to the said Employee, whether Vested or not shall forthwith lapse.”

Add the following Section after Section 5 of Clause H of the ESOS-Plan E-2010:

#### **“5A Transfer, movement, deputation, etc.**

In the event that an Employee of the Bank who has been granted Options under this Scheme has been transferred/ moved by the Bank to a Subsidiary of the Bank or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, the vesting and exercise of such Options granted under this Scheme up to the date of his resignation from the Bank, shall continue in accordance with the provisions of this Scheme even after such transfer/movement.”

The aforesaid amendments shall be applicable for all options already granted under the ESOS-Plan E- 2010, which are pending vesting and/or exercise

#### **Proposed amendments (“Part B”)**

As per the Reserve Bank of India’s Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dated November 4, 2019 (as may be amended, replaced, restated from time to time) the Bank is mandatorily required to put in place appropriate modalities to incorporate malus/ clawback mechanism with respect to the variable pay granted to Whole Time Directors / Chief Executive Officers / Material Risk Takers of the Bank. A malus arrangement permits the Bank to prevent vesting of all or part of the amount of a deferred remuneration and a clawback provision requires an employee to return previously paid or vested remuneration to the Bank under certain circumstances. Pursuant to this regulatory requirement, the Bank has incorporated malus and clawback provisions in its compensation policy/ employment contracts and therefore, for this purpose, the Bank also proposes to amend the ESOS-Plan E-2010 to capture the malus and clawback provisions.

Accordingly, the following amendments are proposed to the ESOS-Plan E-2010:

Insert the following Clause as Clause R of the ESOS-Plan E-2010 as under:

#### **“CLAUSE R**

The Grant, Vesting and Exercise of Options under this Scheme shall be subject to the Malus and Clawback provisions under the Bank’s Compensation Policy, as may be amended, replaced, restated, substituted from time to time, or as may be communicated by the Bank to the Employees, or as per the revisions to the employment contracts/terms, in accordance with the Reserve Bank of India’s Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff dated November 4, 2019, as may be amended, replaced, substituted, restated from time to time.”

The aforesaid amendments will be applicable from the Bank’s compensation cycle effective April 1, 2020.

As per the SBEB Regulations, any variation to the terms of the ESOS-Plan E-2010 requires the approval of Members by way of a special resolution. There are no other changes to the existing terms of the ESOS-Plan E-2010. While the NRC and the Board are authorised by the earlier resolution dated June 30, 2010 in this regard, to make appropriate amendments, in the terms and conditions of the ESOS-Plan E-2010, however, this approval of Members by way of special resolution is still being sought for abundant caution.

None of the Directors or Key Managerial Personnel of the Bank including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of grant of stock options to them, if any, under the ESOS-Plan E-2010.

The Directors recommend the Resolution at Item No. 16 of the accompanying Notice for approval of the Members of the Bank.

#### **Item No. 17:**

The Bank has an Employees’ Stock Option Scheme, 2013 (“ESOS-Plan F-2013”) framed in line with the then existing guidelines of the Securities and Exchange Board of India which has since been replaced by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time (“SBEB Regulations”).

#### **Proposed amendments (“Part A”)**

There may be movement/transfer of the Employees of the Bank within/to the group companies (namely subsidiary companies of the Bank) subject to the requirements of the relevant subsidiary company of the Bank. The Bank is of the view that such movements/transfers would strengthen the skill and resource





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inventory for the group. When employees move to the subsidiary companies of the Bank as part of the aforementioned reasons, such employees may have to resign from the services of the Bank and become an employee of another such subsidiary company of the Bank. The Bank currently allows for providing continuity of service for the purpose of Gratuity. The Bank would also like to extend continuity service for Long Term Incentives (LTIs) earned during the course of service with the Bank during such transfer. For this purpose, Bank proposes to amend the ESOS-Plan F-2013 with the intent that any employee being moved / getting transferred to a subsidiary company of the Bank can continue to be entitled to the stock options, already granted to such an employee under the ESOS-Plan F-2013, prior to his/her resignation from the Bank to move/transfer to such subsidiary company. This is an important step to ensure that employees being moved/being transferred to the subsidiary companies of the Bank are not disadvantaged by such movements/transfers.

Accordingly, the following amendments are proposed to the ESOS-Plan F-2013:

Amend definition of the term “Date of Resignation”/ “Date of Termination” under Point 5 of Clause A of the ESOS-Plan F-2013, to read as under:

“5. “Date of Resignation” / “Date of Termination” shall mean the day after which the Employee ceases to be in the employment of the Bank, however for the Employee defined under Point 6(ii) of Clause A of this Scheme, shall mean the day after which such Employee ceases to be in the employment of the Subsidiary mentioned in the said Point 6(ii) of Clause A of this Scheme.”

Amend the definition of the term ‘Employee’ under Point 6 of Clause A of the ESOS-Plan F-2013, to read as under:

## **“6. “Employee” shall mean**

- (i) any permanent employee of the Bank, present as well as future, in the middle and senior management levels and directors in whole time employment of the Bank, i.e. permanent employees from the grade of Senior Manager and / or any equivalent restructured grade to the whole time Directors including the Managing Director, and shall include any employee of the Bank who has been deputed / seconded by the Bank to any company which is a subsidiary, or an affiliate company or sister concern of the Bank.
- (ii) an Employee of the Bank who upon grant of Options under this Scheme is transferred/moved by the Bank to a Subsidiary or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, such person shall be treated as an “Employee” to the extent of vesting and exercise of such Options already granted under this

Scheme up to the date of his such resignation from the Bank, however not for any fresh grant of Options from and after the date of his such resignation from the Bank.”

Add the following definition after Point 17 of Clause A of the ESOS-Plan F-2013:

“17A “Subsidiary” shall mean any ‘subsidiary company’ of the Bank as per Section 2 (87) of the Companies Act, 2013, as amended from time to time.”

Amend Section 3 of Clause H of the ESOS-Plan F-2013, to read as under:

## **“3. Resignation / Termination of employment**

- (i) In the event of resignation or termination of the employment of the Employee, with the Bank or with the Subsidiary referred to in Point 6(ii) of Clause A of this Scheme, as the case may be, all Options not vested as on the Date of Resignation / Date of Termination, shall stand forfeited. However, the Employee shall be entitled to retain all the vested Options as on the Date of Resignation / Date of Termination and Exercise the same within a period of six months from the Date of Resignation/ Date of Termination. Provided however, such resignation or termination is not on account of misconduct or misdemeanor of the Employee. After expiry of the said six months, the vested Options shall get lapsed, if not exercised.
- (ii) The Compensation Committee (in case of Bank) and appropriate committee constituted by the relevant Subsidiary (in case of Subsidiary), as the case may be, shall have absolute discretion in determining whether there has been any “misconduct” or “misdemeanor” on the part of the Employee and the decision of the Compensation Committee/appropriate committee of the Subsidiary in this regard shall be final and binding on the Employee. If the resignation or termination of the Employee is attributable to misconduct / misdemeanor of the Employee as above, then in that event all the Options granted to the said Employee, whether Vested or not shall forthwith lapse.”

Add the following Section after Section 5 of Clause H of the ESOS-Plan F-2013:

## **“5A Transfer, movement, deputation, etc.**

In the event that an Employee of the Bank who has been granted Options under this Scheme has been transferred / moved by the Bank to a Subsidiary of the Bank or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, the vesting and exercise of such Options granted under this Scheme up to the date of his

resignation from the Bank, shall continue in accordance with the provisions of this Scheme even after such transfer/movement.”

The aforesaid amendments shall be applicable for all options already granted under the ESOS-Plan F- 2013, which are pending vesting and/or exercise.

### **Proposed amendments (“Part B”)**

As per the Reserve Bank of India’s Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dated November 4, 2019 (as may be amended, replaced, restated from time to time) the Bank is mandatorily required to put in place appropriate modalities to incorporate malus / clawback mechanism with respect to the variable pay granted to Whole Time Directors / Chief Executive Officers / Material Risk Takers of the Bank. A malus arrangement permits the Bank to prevent vesting of all or part of the amount of a deferred remuneration and a clawback provision requires an employee to return previously paid or vested remuneration to the Bank under certain circumstances. Pursuant to this regulatory requirement, the Bank has incorporated malus and clawback provisions in its compensation policy/ employment contracts and therefore, for this purpose, the Bank also proposes to amend the ESOS-Plan F-2013 to capture the malus and clawback provisions.

Accordingly, the following amendments are proposed to the ESOS-Plan F-2013:

Insert the following Clause as Clause R of the ESOS-Plan F-2013 as under:

#### **“CLAUSE R**

The Grant, Vesting and Exercise of Options under this Scheme shall be subject to the Malus and Clawback provisions under the Bank’s Compensation Policy, as may be amended, replaced, restated, substituted from time to time, or as may be communicated by the Bank to the Employees, or as per the revisions to the employment contracts/terms, in accordance with the Reserve Bank of India’s Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dated November 4, 2019, as may be amended, replaced, substituted, restated from time to time.”

The aforesaid amendments will be applicable from the Bank’s compensation cycle effective April 1, 2020.

As per the SBEB Regulations, any variation to the terms of the ESOS-Plan F-2013 requires the approval of Members by way of a special resolution. There are no other changes to the existing terms of the ESOS-Plan F-2013. While the NRC and the Board are authorised by the earlier resolution dated June 27, 2013 in this regard, to make appropriate amendments, in the terms and conditions of the ESOS-Plan F-2013, however, this approval of

Members by way of special resolution is still being sought for abundant caution.

None of the Directors or Key Managerial Personnel of the Bank including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of grant of stock options to them, if any, under the ESOS-Plan F-2013.

The Directors recommend the Resolution at Item No. 17 of the accompanying Notice for approval of the Members of the Bank.

### **Item No 18:**

The Bank has an Employees’ Stock Option Scheme, 2016 (“ESOS-Plan G-2016”) framed in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be amended, replaced, restated from time to time (“SBEB Regulations”).

### **Proposed amendments (“Part A”)**

There may be movement / transfer of the Employees of the Bank within/to the group companies (namely subsidiary companies of the Bank) subject to the requirements of the relevant subsidiary company of the Bank. The Bank is of the view that such movements / transfers would strengthen the skill and resource inventory for the group. When employees move to the subsidiary companies of the Bank as part of the aforementioned reasons, such employees may have to resign from the services of the Bank and become an employee of another such subsidiary company of the Bank. The Bank currently allows for providing continuity of service for the purpose of Gratuity. The Bank would also like to extend continuity service for Long Term Incentives (LTIs) earned during the course of service with the Bank during such transfer. For this purpose, Bank proposes to amend the ESOS-Plan G-2016 with the intent that any employee being moved/ getting transferred to a subsidiary company of the Bank can continue to be entitled to the stock options, already granted to such an employee under the ESOS-Plan G-2016, prior to his/her resignation from the Bank to move/transfer to such subsidiary company. This is an important step to ensure that employees being moved / being transferred to the subsidiary companies of the Bank are not disadvantaged by such movements/transfers.

Accordingly, the following amendments are proposed to the ESOS-Plan G-2016:

Amend definition of the term “Date of Resignation” / “Date of Termination” under Point 6 of Clause A of the ESOS-Plan G-2016, to read as under:

“6. “Date of Resignation” / “Date of Termination” shall mean the day after which the Employee ceases to be in the employment of the Bank, however for the Employee defined under Point 7(ii) of Clause A of this Scheme, shall mean the day after which such Employee ceases to be in the employment of the Subsidiary mentioned in the said Point 7(ii) of Clause A of this Scheme.”



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Amend the definition of the term 'Employee' under Point 7 of Clause A of the ESOS-Plan G-2016, to read as under:

## **"7. "Employee" shall mean:**

- (i) any permanent employee of the Bank, present as well as future, in the middle and senior management levels and directors in whole time employment of the Bank, i.e. permanent employees and/or any equivalent restructured grade to the whole time Directors including the Managing Director, and shall include any employee of the Bank who has been deputed / seconded by the Bank to any company which is a Subsidiary, or an associate company of the Bank.
- (ii) an Employee of the Bank who upon grant of Options under this Scheme is transferred / moved by the Bank to a Subsidiary or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, such person shall be treated as an "Employee" to the extent of vesting and exercise of such Options already granted under this Scheme up to the date of his such resignation from the Bank, however not for any fresh grant of Options from and after the date of his such resignation from the Bank."

Add the following definition after Point 18 of Clause A of the ESOS-Plan G-2016:

"18A "Subsidiary" shall mean any 'subsidiary company' of the Bank as per Section 2 (87) of the Companies Act, 2013, as amended from time to time."

Amend Section 3 of Clause H of the ESOS-Plan G-2016, to read as under:

## **"3. Resignation / Termination of employment**

- (i) In the event of resignation or termination of the employment of the Employee with the Bank or with the Subsidiary referred to in Point 7(ii) of Clause A of this Scheme, as the case may be, all Options not vested as on the Date of Resignation/ Date of Termination shall stand forfeited. However, the Employee shall be entitled to retain all the vested Options as on the Date of Resignation / Date of Termination and Exercise the same within a period of six months from the Date of Resignation / Date of Termination. Provided however, such resignation or termination is not on account of misconduct or misdemeanour of the Employee. After expiry of the said six months, the vested Options shall get lapsed, if not exercised.
- (ii) The NRC (in case of Bank) and appropriate committee constituted by the relevant Subsidiary (in case of Subsidiary), as the case may be, shall have the absolute discretion in determining whether there has been any "misconduct"

or "misdemeanour" on the part of the Employee and the decision of the NRC / appropriate committee of the Subsidiary in this regard shall be final and binding on the Employee. If the resignation or termination of the Employee is attributable to misconduct / misdemeanour of the Employee as above, then in that event all the Options granted to the said Employee, whether Vested or not shall forthwith lapse."

Amend Section 6 of Clause H of the ESOS-Plan G-2016, to read as under:

## **"6. Transfer or deputation of an Employee**

- (i) In the event that an Employee who has been granted Options under the Scheme is deputed / seconded by the Bank to any company which is a subsidiary, or an associate company of the Bank prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such deputed / seconded employee even after the transfer or deputation.
- (ii) In the event that an Employee of the Bank who has been granted Options under this Scheme has been transferred/ moved by the Bank to a Subsidiary of the Bank or thereafter to another Subsidiary (subject to the requirements of the relevant Subsidiary), and for this purpose such Employee resigns from the services of the Bank and joins the Subsidiary (or subsequently such another Subsidiary as above, as the case may be) prior to vesting or exercise of such Options, the vesting and exercise of such Options granted under this Scheme up to the date of his resignation from the Bank, shall continue in accordance with the provisions of this Scheme even after such transfer / movement."

The aforesaid amendments shall be applicable for: (i) all options already granted under the ESOS-Plan G- 2016, which are pending vesting and/or exercise, and (ii) all future options which will be granted under the ESOS-Plan G- 2016, till the employee resigns from the employment with the Bank.

## **Proposed amendments ("Part B")**

As per the Reserve Bank of India's Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dated November 4, 2019 (as may be amended, replaced, restated from time to time) the Bank is mandatorily required to put in place appropriate modalities to incorporate malus/ clawback mechanism with respect to the variable pay granted to Whole Time Directors / Chief Executive Officers / Material Risk Takers of the Bank. A malus arrangement permits the Bank to prevent vesting of all or part of the amount of a deferred remuneration and a clawback provision requires an employee to return previously paid or vested remuneration to the Bank under certain circumstances. Pursuant to this regulatory requirement, the Bank has incorporated malus and clawback provisions in its compensation policy / employment contracts and therefore, for this purpose, the Bank also proposes to amend

the ESOS-Plan G-2016 to capture the malus and clawback provisions.

Accordingly, the following amendments are proposed to the ESOS-Plan G-2016:

Insert the following Clause as Clause R of the ESOS-Plan G-2016 as under:

**“CLAUSE R**

The Grant, Vesting and Exercise of Options under this Scheme shall be subject to the Malus and Clawback provisions under the Bank’s Compensation Policy, as may be amended, replaced, restated, substituted from time to time, or as may be communicated by the Bank to the Employees, or as per the revisions to the employment contracts/terms, in accordance with the Reserve Bank of India’s Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff dated November 4, 2019, as may be amended, replaced, substituted, restated from time to time.”

The aforesaid amendments will be applicable from the Bank’s compensation cycle effective April 1, 2020.

As per the SBEB Regulations, any variation to the terms of the ESOS-Plan G-2016 requires the approval of Members by way of a special resolution. There are no other changes to the existing

terms of the ESOS-Plan G-2016. While the NRC and the Board are authorised by the earlier resolution dated July 21, 2016 in this regard, to make appropriate amendments, in the terms and conditions of the ESOS-Plan G-2016, however, this approval of Members by way of special resolution is still being sought for abundant caution.

None of the Directors or Key Managerial Personnel of the Bank including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of grant of stock options to them, if any, under the ESOS-Plan G-2016.

The Directors recommend the Resolution at Item No. 18 of the accompanying Notice for approval of the Members of the Bank.

**By Order of the Board**

**Santosh Haldankar**  
**Senior Vice President - Legal**  
**& Company Secretary**  
**(Membership No. ACS 19201)**

**Place: Mumbai**  
**Date: June 18, 2021**