

HDFC Bank Limited

Registered office: HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400013.

[CIN: L65920MH1994PLC080618] [E-Mail: shareholder.grievances@hdfcbank.com]

[Website: www.hdfcbank.com] [Tel Nos: 022 24988484] [Fax Nos: 022 24965235]

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF HDFC BANK LIMITED WILL BE HELD AT BIRLA MATUSHRI SABHAGAR, 19, NEW MARINE LINES, MUMBAI - 400 020 ON THURSDAY, JULY 21, 2016 AT 2.30 P. M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (standalone and consolidated) of the Bank for the year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a director in place of Mr. Keki Mistry (DIN 00008886), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mrs. Renu Karnad (DIN 00008064), who retires by rotation and, being eligible, offers herself for re-appointment.
5. Re-appointment and fixing of the remuneration of Statutory Auditors:

To consider and if thought fit, to pass, with or without modification(s), the following Resolutions as Ordinary Resolutions:

"RESOLVED THAT subject to the provisions of Section 139 and 142 of the Companies Act, 2013, Section 30 of the Banking Regulations Act, 1949 and guidelines issued by Reserve Bank of India, M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117365W), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules, be and are hereby re-appointed as the Auditors of the Bank to hold office from the conclusion of the 22nd Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank at an Annual remuneration / fees of ₹ 1,90,00,000 (Rupees One Crore Ninety Lakhs only) plus out of pocket expenses at actuals and indirect taxes at the applicable rates, for the purpose of audit of the Bank's accounts at its head office, branches and other offices;

RESOLVED FURTHER THAT in addition to the resolution passed by Members of the Bank on July 21, 2015, for payment of remuneration to the Statutory Auditors of ₹ 1,10,00,000 (Rupees One Crore Ten Lakhs only) for financial year 2015-16, further approval of the Members of the Bank be and is hereby accorded for ratifying the payment of ₹ 40,00,000 (Rupees Forty Lakhs only) paid to the Statutory Auditors for Reporting on internal financial controls under Companies Act, 2013 and rules framed thereunder for financial year 2015-16."

SPECIAL BUSINESS:

6. To appoint Mr. Umesh Chandra Sarangi (DIN 02040436) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149 of the Companies Act, 2013 and pursuant to Section 10-A (2)(a) of the Banking Regulation Act, 1949, Mr. Umesh Chandra Sarangi (DIN 02040436), in respect of whom the Bank has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Bank having specialized knowledge in agriculture and rural economy, and shall hold office up to Five (5) years AND THAT he shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses as may be permissible under law from time to time."

7. To ratify and approve the related party transactions with Housing Development Finance Corporation Limited ("HDFC Limited") and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions:

"RESOLVED THAT pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of law, including any re-enactment / modification / amendment thereof, the Members of the Bank do hereby ratify as 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 duly constituted / empowered 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 within the meaning of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or otherwise, including the 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 of the fee agreed upon or as may be agreed upon from time to time and any other transactions, 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 financial year 2016-17 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 pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the members hereby ratify all the arrangements / transactions with HDFC Limited undertaken in the financial year 2015-16, whether by way of continuation / extension / renewal / modification of earlier arrangements / transactions or otherwise, notwithstanding the fact that all these transactions during the financial year in aggregate have exceeded 10 % of the annual consolidated turnover of the Bank as per the audited financial statement of the relevant financial year."

"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 resolutions."

8. To ratify and approve the related party transactions with HDB Financial Services Limited ("HDBFSL") and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any applicable provisions of law, including any re-enactment / modification / amendment thereof, the Members of the Bank do hereby ratify as 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 duly constituted / empowered by the Board from time to time to exercise its powers conferred by this resolution) for carrying out or continuing with 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, banking transactions and any other transactions including those 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 financial year 2016-17 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.”

9. To revise the term of appointment of Mr. Paresh Sukthankar (DIN 01843099) Deputy Managing Director and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and any other applicable laws, or any amendment or modifications or any re-enactment thereof, the approval of the Members of the Bank be and is hereby granted for the revision in the term of appointment of Mr. Paresh Sukthankar (DIN 01843099), Deputy Managing Director such that, the tenure of appointment of Mr. Sukthankar as approved by the shareholders vide resolution passed on March, 2014 for a period of three years from December 24, 2013 to December 23, 2016 be and is hereby amended to read as up to June 12, 2017 in line with the RBI approval letter dated June 13, 2014, with the other terms of his appointment including remuneration, benefits etc. remaining unchanged and extending to his such revised term;

RESOLVED FURTHER THAT the Board 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 revision in terms of appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any directors (s) and / or officer (s) of the Bank to give effect to the aforesaid resolution.”

10. To approve the remuneration of non-executive directors including independent director except for part time Chairman and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the applicable provisions of law including relevant RBI guidelines on compensation to non-executive directors (except part time Chairman), and provisions of Sections 197, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of Banking Regulation Act, 1949 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the shareholders of the Bank be and is hereby accorded to pay / make available, the profit related commission to non-executive directors including independent directors, except for part time Chairman with effect from the financial year 2015-16 (being the year in which RBI issued the guidelines on compensation to non-executive directors of private sector banks), not exceeding in aggregate 1 % of the net profit of the Bank of the relevant financial year subject to a maximum of ₹ 1 million per annum per director, or any limits applicable under law / relevant RBI guidelines, from time to time, in accordance with 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 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 resolutions and also to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

11. To increase the authorised share capital and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 61 (1)(a) and 64 (1)(a) of the Companies Act, 2013, other applicable provisions, if any, Rules thereunder, and provisions of any other applicable laws, or any amendment or modifications or any re-enactment thereof and the relevant rules formed thereunder and in accordance with the provisions of the Articles of Association of the Company, the authorised share capital of the Company be and is hereby increased from ₹ 550,00,00,000 (Rupees Five Hundred and Fifty Crore only) divided

into 275,00,00,000 (Two Hundred and Seventy Five Crore) equity shares of ₹ 2 (Rupees Two) each, to ₹ 650,00,00,000 (Rupees Six Hundred and Fifty Crore only) divided into 325,00,00,000 (Three Hundred and Twenty Five Crore) equity shares of ₹ 2 (Rupees Two) each by creating additional 50,00,00,000 (Fifty Crore) equity shares of ₹ 2 each;

RESOLVED FURTHER THAT the new shares shall rank pari passu with the existing shares;

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 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.”

12. To alter the Memorandum of Association on account of increase in authorised share capital and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 read with Section 61 and other applicable provisions of the Companies Act, 2013, Clause V of the Memorandum of Association of the Company be and is hereby substituted and read as under:

The capital of the Company is ₹ 650,00,00,000 (Rupees Six Hundred and Fifty Crore only) divided into 325,00,00,000 (Three Hundred and Twenty Five Crore) equity shares of ₹ 2 (Rupees Two) each with a power to increase or reduce the share capital;

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 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 Issue Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Senior Long Term Infrastructure Bonds on a private placement basis and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution, as a Special Resolution:

“RESOLVED THAT pursuant to 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, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 any other applicable provisions of law, any amendment, modification, variation or re-enactment 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 Perpetual Debt Instruments (part of Additional Tier I Capital), Tier II Capital Bonds and Senior Long Term Infrastructure Bonds 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, for a period of one 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 deemed fit by the Board, as per the structure and within the limits permitted by RBI, of an amount in aggregate not exceeding ₹ 50,000 Crore;

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 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 resolutions.”

14. To grant equity stock options and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, the Securities and Exchange Board of India, (Share Based Employee Benefits) Regulations 2014 as amended from time to time (**“the Guidelines”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of any regulations / guidelines prescribed by the Securities and Exchange Board of India (**“SEBI”**) and / or the Reserve Bank of India (**“RBI”**), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the Memorandum and Articles of Association of the Bank and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Bank (hereinafter referred to as the **“Board”**, which term shall be deemed to include the Compensation Committee already constituted by the Board of Directors under Section 178 of Companies Act, 2013 called as Nomination and Remuneration Committee, for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution and / or such other persons who may be authorized in this regard by the Board of Directors), consent of the members be and is hereby accorded to the Board to grant, offer, issue and allot, in one or more tranches, to such present and future officers and employees, whether working in India or outside India, which expression shall include the Managing Director and Whole time Director(s) of the Bank (collectively **“The Employees”**), as may be decided by the Board, 10,00,00,000 (Ten Crore) equity stock options, convertible into 10,00,00,000 (Ten Crore) equity shares of the nominal face value not exceeding ₹ 2 (Rupees Two) per equity share under an employee stock option plan (hereinafter referred to **“ESOS”**) on the terms and conditions as set out in the Explanatory Statement to this item in the Notice, at such price and on such other terms and conditions as may be decided by the Board in its absolute discretion.”

“RESOLVED FURTHER THAT out of the aforesaid 10,00,00,000 (Ten Crore) equity stock options the Board be and is hereby authorized to grant upto a maximum of 5,00,00,000 (Five Crore) equity stock options convertible into 5,00,00,000 (Five Crore) equity shares of the nominal face value not exceeding ₹ 2 (Rupees Two) per equity share by way of ESOS during the financial year 2016-17 and that the remaining options may be granted in the financial year 2017-18 and / or thereafter;

RESOLVED FURTHER THAT without prejudice to the generality of the above, but subject to the terms, as approved by the members, the Board or such person who may be authorized in this regard by the Board, be and is hereby authorized to implement, formulate, evolve, decide upon and bring into effect the ESOS on such terms and conditions as contained in the Explanatory Statement to this item in the Notice and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS, from time to time, including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS in such manner as the Board or any other person authorized by the Board may determine;

RESOLVED FURTHER THAT the determination of the consideration payable by an employee in respect of the aforementioned equity stock options, convertible into equity shares, by the Board or such person who may be authorized in this regard by the Board, may be divided into two parts. The first part of the consideration shall comprise of a fixed consideration, which shall be equivalent to the face value of the equity shares, and the second part shall comprise of a variable amount, to be determined by the Board, or such person who may be authorized in this regard by the Board, in its absolute discretion;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted in accordance with the ESOS on the Stock Exchanges where the securities of the Bank are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Guidelines and other applicable laws and regulations;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or any other person authorized in this regard by the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to framing rules relating to taxation matters arising out of grant / exercise of stock options and execute all such deeds, documents, instruments and writings as it may in its / his / her absolute discretion deem necessary or desirable and pay fees and commission and incur expenses in relation thereof;

RESOLVED FURTHER THAT the Board or any other person authorized in this regard by the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the implementation of the ESOS and to the shares (including to amend or modify any of the terms thereof) issued herein without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by authority of the aforesaid resolutions;

RESOLVED FURTHER THAT no single employee shall be granted options under the ESOS entitling such employee to equity shares in the Bank which would represent more than 1 % of the paid-up share capital of the Bank as on the date of grant of options or 10 % of the total number of options granted under the ESOS, and that the minimum number of options that can be granted under the forthcoming schemes as well as the existing schemes is zero;

RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari-passu with all the existing equity shares of the Bank for all purposes."

By order of the Board

Sanjay Dongre
Executive Vice President (Legal)
& Company Secretary
(Membership No. ACS 5966)

Date : May 19, 2016

NOTES

1. **A member entitled to attend and vote at the Annual General Meeting ("meeting / AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the Bank. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Bank. Further, a member holding more than 10% of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. The instrument appointing proxy in order to be valid and effective should be lodged / deposited with the Bank at its registered office not later than Forty Eight (48) hours before the commencement of the meeting.**
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Bank a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members / proxies should fill the attendance slip for attending the meeting and bring their attendance slips along with their copy of the Annual Report at the meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID number (s) and those who hold shares in physical form are requested to write their Folio Number(s) on the attendance slip for attending the Meeting.

5. 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.
6. 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 at the registered office of the Bank on all working days between 10.00 a.m. to 12.00 noon up to July 20, 2016 and at the meeting. The notice and the Annual Report are also available on the Bank's website www.hdfcbank.com for download.
7. The record date for determining the names of members eligible for dividend on equity shares, if declared at the Meeting, is June 30, 2016.
8. Dividend as recommended by the Board of Directors, if approved at this meeting, will be paid on or after July 22, 2016 by way of electronic credit and on or after July 25, 2016 by way of physical dividend warrants to those members who hold shares:
 - (a) in dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on June 30, 2016.
 - (b) in physical mode, if their names appear in the Bank's Register of Members at the close of business hours of June 30, 2016. The instruments of transfer in respect of shares held in physical form should be lodged with the Registrars and Share Transfer Agents so as to reach them on or before June 30, 2016.
9. 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, 2016.
10. 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 Bank / Registrars and Share Transfer Agents, M/s. Datamatics Financial Services Limited, Unit : HDFC Bank Limited, Plot No. B5, Part B Cross Lane, MIDC, Marol, Andheri (East), Mumbai - 400 093 along with the self-attested copy of their PAN Card(s), copy of the cheque leaf where an active Bank account is maintained and the copy of the supporting document evidencing change in address.
11. Brief resume of Directors liable to retire by rotation and proposed to be re-appointed, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which they hold the directorships and memberships of Committees of the Board as stipulated in Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached to this notice.
12. As per Section 205A of the Companies Act, 1956 the amount of dividend not encashed or claimed within Seven (7) years from the date of its transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Accordingly, the unclaimed dividend in respect of financial year 2007-08 was transferred to the IEPF in July, 2015. The unclaimed dividend in respect of financial year 2008-09 is in the process of being transferred to the IEPF in accordance with the provisions of Section 205A of the Companies Act, 1956.
13. The Ministry of Corporate Affairs has, on May 10, 2012, notified the Investor Protection and Education Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 ("IEPF Rules") with the objective of enabling shareholders to use the information provided by the companies on their websites and the website of the IEPF, to verify the status of unclaimed dividends, if any. 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 Registrars, Datamatics Financial Services Limited, before the unclaimed dividends are transferred to the IEPF. The Bank's Registrars Datamatics Financial Services Limited in this regard has also intimated by sending a communication to all the shareholders whose dividend have remained un-encashed, with a request to send the requisite documents to them for claiming the un-encashed dividends.

14. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of 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 Datamatics Financial Services Limited, Unit : HDFC Bank Limited, Plot No. B5, Part B, Cross Lane, MIDC, Marol, Andheri (East), Mumbai 400 093. The prescribed form in this regard may also be obtained from Datamatics Financial Services Limited at the address mentioned above. Members holding shares in electronic form are requested to contact their Depository Participants directly for recording their nomination.
15. 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 to enable the Bank to keep the information ready at the meeting.
16. In support of the “Green Initiative” announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Entrance Pass and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Bank / Depository Participants unless the member has specifically requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of e-voting along with Entrance Pass and Proxy Form, will be sent to them in the permitted mode.
17. In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Bank is pleased to provide Members the facility to exercise their votes by electronic means (remote e-voting) and the business may be transacted through e-voting as per instructions below:
 - (a) Date and time of commencement of remote e-voting through electronic means: July 18, 2016, at 9:30 a. m.
 - (b) Date and time of end of remote e-voting through electronic means beyond which voting will not be allowed: July 20, 2016, 05:00 p. m.
 - (c) Details of Website: www.evotingindia.com
 - (d) Details of persons to be contacted for issues relating to e-voting: Datamatics Financial Services Limited, Unit : HDFC Bank Limited Plot No B-5, Part B, Cross Lane, MIDC, Marol, Andheri (East), Mumbai - 400 093, Tel No: 022-66712151 to 56, Fax No : 022- 28213404, E-mail : hdivestors@dfssl.com
 - (e) Instructions for e-voting are given on page no. 9 and 10 of this Notice.
 - (f) The e-voting module shall be disabled for voting on July 20, 2016 at 05:00 p. m. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Bank as on the cut-off date (record date) i.e. as on July 14, 2016.
 - (g) Details of Scrutinizers: M/s. B. N. & Associates, Practicing Company Secretaries have been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
18. 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. Members may please note that in case of any technical failure or eventuality resulting into non-functionality of the electronic voting system at the meeting, members would be provided the ballot paper for casting their votes at the meeting.
19. 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. Once a vote is cast by a member, he shall not be allowed to alter it subsequently.
20. The route map of the venue of the meeting is given in the Annual Report at page no. 214. The prominent landmark for the venue is, it is near ‘Bombay Hospital’.

The instructions for shareholders voting electronically are as under:

- (i) **The voting period begins on July 18, 2016 at 9.30 a. m. and ends on July 20, 2016 at 5.00 p. m. During this period shareholders of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 14, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.**
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Bank.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Bank / Depository Participant are requested to use in the PAN field the first two letters of their name (In Capital) and the 8 digits of the sequence number as provided in the table “Electronic Voting Particulars” of the Entrance Pass or on e-mail. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name (In Capital). Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or company please enter the User ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN “**160608001**” - “HDFC Bank Limited” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES /NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- (xvii) If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholder can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and windows phone user can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The Scrutinizers shall immediately after the conclusion of the voting at the meeting, first count the votes cast at the meeting thereafter unblock the votes cast through remote e-voting in the presence of at least Two (2) witnesses not in the employment of the Bank. The Scrutinizers thereafter shall submit their Report to the Chairperson after completion of their scrutiny. The result of the voting will be announced within Forty Eight (48) hours after the conclusion of the meeting at the Registered Office of the Bank, i.e. HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013.

The results declared along with the Scrutinizers’ Report shall be available on the Bank’s website at www.hdfcbank.com and website of the CDSL within Forty Eight (48) hours of conclusion of the meeting and communicated to the Stock Exchange.

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

Item No. 6

The Board of Directors of the Bank, on recommendation of the Nomination and Remuneration Committee, had approved the appointment of Mr. Umesh Chandra Sarangi, as Additional Director of the Bank with effect from March 1, 2016 to hold office up to the ensuing Annual General Meeting. The Bank has now received notice from a member proposing the candidature of Mr. Umesh Chandra Sarangi as Independent Director of the Bank. The Bank has received a declaration from Mr. Umesh Chandra Sarangi to the effect that he fulfills all criteria for independence stipulated in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board of Directors of the Bank, Mr. Umesh Chandra Sarangi is independent of the management of the Bank and fulfills the conditions specified in the Companies Act, 2013 the rules made thereunder and Regulation 16 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an independent director. Further the Board of Directors of the Bank is of the opinion that Mr. Umesh Chandra Sarangi is a person of integrity and has relevant experience and expertise for him to be appointed as Independent Director of the Bank.

Mr. Umesh Chandra Sarangi, aged 64 years holds a Master's Degree in Science (Botany) from the Utkal University (Gold Medalist). Mr. Sarangi has 35 years 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 Agricultural 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 also organized self-help groups of women and provided them livelihood opportunities through bank finance and refinance from NABARD. Mr. Sarangi undertook model development initiatives with the help of NGOs for the benefit of farmers, rural artisans and labour population in rural areas. Mr. Umesh Chandra Sarangi will be entitled to remuneration by way of profit related commission subject to approval of the shareholders, sitting fees and reimbursement of expenses as permissible under law and as applicable for the Bank from time to time. Presently the limit on sitting fees is ₹ 1,00,000 per Board meeting and ₹ 50,000 per Committee meeting. Mr. Sarangi possesses specialized knowledge in the field of agriculture and rural economy, as required by Section 10-A (2)(a) of the Banking Regulation Act, 1949. Mr. Sarangi is not a member / Chairman of the Board of Directors of any other company.

Mr. Umesh Chandra Sarangi does not hold any shares in the Bank.

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

Your Directors recommend the passing of the resolution in Item no. 6 of the accompanying Notice.

Item No. 7:

Pursuant to the then revised provisions of Clause 49 of the erstwhile Listing Agreement, the shareholders at the Annual General Meeting held on July 21, 2015 had approved the material related party transactions to be entered in to with Housing Development Finance Corporation Limited ("**HDFC Ltd.**") in the financial year 2015-16 notwithstanding that such transactions on aggregate basis would exceed the applicable materiality threshold. The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("**Listing Regulations**"), notified on September 2, 2015, require approval of shareholders by way of resolution for material related party transactions entered into prior to the date of notification of the Listing Regulations and continued beyond such notification date. Even under the Listing Regulations, there is no exemption even if such transaction is in the ordinary course of business of the entity and on arm's length basis. 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 As mentioned above, though the

members had already approved the aforesaid transactions with HDFC Ltd. for the financial year 2015-16, in the 21st Annual General Meeting, the Bank seeks to ratify the same in light of the ambiguity in Regulation 23 of the Listing Regulations. The transactions in terms of aggregate value have exceeded 10% of the Bank's annual consolidated turnover for the relevant year. Needless to say, all the transactions were carried out in compliance with all the applicable provisions, with the approval of the Audit Committee and of the members.

Under the arrangement between the Bank and Housing Development Finance Corporation Limited ("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 commission 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 fee as agreed upon mutually from time to time for servicing of the home loans assigned by it / securitized.

The above arrangement has been duly 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 Reserve Bank of India 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 institutions 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 fee.

There are also other transactions with HDFC Limited, including banking transactions and including those as disclosed in the notes forming part of the financial statements. In the financial year 2015-16, all these aforementioned transactions in terms of aggregate value have exceeded 10 % of the Bank's annual consolidated turnover for the relevant year.

The Audit Committee of the Bank has already granted approval for purchase of home loans from HDFC Limited up to an overall limit of ₹ 20,000 Crore for the financial year 2015-16 and ₹ 20,000 Crore for the financial year 2016-17. The Audit Committee has also granted approval for other types of transactions with HDFC Limited under the omnibus route for financial years 2015-16 and 2016-17 and has noted that the said transactions are on arm's length basis.

The transactions have been continued so far in the financial year 2016-17. In the financial year 2016-17 as well, these transactions are expected to cross the applicable materiality thresholds. Accordingly, as per 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 financial year 2016-17.

As mentioned above, the Bank's transactions in aggregate in the financial year 2016-17 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 giving further approval to the Board of Directors (hereinafter referred to as the **"Board"**, which term shall be deemed to include any Committee duly constituted / empowered 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 within the meaning of the Listing Regulations, 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 financial year 2016-17 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.

Your Board accordingly, recommends passing of the resolution contained in Item no. 7 of the accompanying Notice.

Mr. Keki Mistry and Mrs. Renu Karnad, being Directors on the Board of the Bank as well as on the Board of HDFC Limited, are interested in the above resolution. Mr. Paresh Sukthankar, Deputy Managing Director, is also interested in the said resolution as he is related to Mr. D.M. Sukthankar, who is a director of HDFC Limited.

None of the other Directors, Key Managerial Personnel and their relatives, other than to 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 abstain from voting on resolutions under this Item 7.

Item No. 8

Pursuant to the then revised provisions of Clause 49 of the erstwhile Listing Agreement, the shareholders at the Annual General Meeting held on July 21, 2015 had approved the material related party transactions to be entered into with HDB Financial Services Limited (HDBFSL) in the financial year 2015-16. Transactions undertaken by the Bank with HDBFSL in financial year 2015-16 did not exceed the prescribed materiality threshold of 10% of the annual consolidated turnover of the Bank of the relevant financial year.

SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, notified on September 2, 2015, require approval of shareholders by way of resolution for material related party transactions. There continues to be no exemption even if such transaction is in the ordinary course of business of the entity and on arm's length basis. 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, including 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, 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 Reserve Bank of India.

The Audit Committee of the Bank has granted omnibus approval for the transactions proposed to be entered into by the Bank in the financial year 2016-17. The Audit Committee also has noted that the said transactions are on arm's length basis.

In the financial year 2016-17 these transactions, in aggregate are expected to exceed the materiality threshold prescribed under the said SEBI Listing Regulations, i.e. 10% of the Bank's annual consolidated turnover as per the Bank's last audited financial statements. The Bank now 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 duly constituted / empowered 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, banking transactions and any other transactions including those as may be disclosed in the notes forming part of financial statements for the relevant period.

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

Accordingly, your Board recommends the passing of the resolution contained in item no. 8 of the accompanying Notice.

Mr. Aditya Puri, being a Director on the Board of the Bank as well as on the Board of HDBFSL, as on the date of this notice is 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 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 abstain from voting on resolutions under this Item 8.

Item no. 9

Mr. Paresh Sukthankar (DIN 01843099) has been with the Bank since its inception in 1994 and has rich experience in areas such as Risk Management, Finance, Human Resources, Investor relations and Corporate Communications, etc. and has been contributing significantly to the growth, profitability and asset quality of the Bank over the years.

The members had approved the appointment of Mr. Paresh Sukthankar (DIN 01843099) as Deputy Managing Director of the Bank on terms and conditions, including remuneration for a period of three years from December 24, 2013 to December 23, 2016 vide resolution passed in March, 2014. Subsequently, the Reserve Bank of India (RBI) has approved his appointment for a period of three years effective from the date of its letter i.e. June 13, 2014

In view of the above, the Board of Directors recommend revision in term of the appointment of Mr. Paresh Sukthankar as follows.

The tenure of appointment of Mr. Paresh Sukthankar as Deputy Managing Director shall be amended to read as upto June 12, 2017 in line with the approval of the Reserve Bank of India vide its letter dated June 13, 2014.

All other terms of appointment viz. remuneration, perquisites, retiral benefits, other retiral benefits, annual performance bonus, flexibility in fixed and variable pay, grant of equity stock options and minimum remuneration in case of inadequacy of profits shall remain unchanged and shall be mutatis mutandis extended up to the revised term and shall be subject to the approval of the Nomination and Remuneration Committee, the Board and the Reserve Bank of India.

Brief profile of Mr. Sukthankar in terms of Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Report on Corporate Governance forming part of the Annual Report. Mr. Sukthankar is not related to any director of the Bank.

The Board of Directors recommend passing of the resolution set out in Item No. 9 of the accompanying Notice.

None of the Directors, Key Managerial Personnel and their relatives, other than Mr. Paresh Sukthankar and his relatives, are concerned / interested in the passing of this resolution.

Item No. 10

At present, banks in private sector pay only sitting fees to non-executive directors, and no other remuneration is paid to them. The non-executive directors and the independent directors are paid remuneration by way of sitting fees and reimbursement of expenses as permissible under law and as applicable for the Bank from time to time. Presently the limit on sitting fees is ₹ 1,00,000 per Board meeting and ₹ 50,000 per Committee meeting.

The role and responsibilities of the Non-Executive Directors have become more objective and skillful with introduction of the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Banking Regulation Act, 1949 in addition to various guidelines / circulars issued by the Reserve Bank of India (RBI). Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Non-Executive Directors by the Bank should be commensurate with their increased role, responsibilities and duties.

RBI has issued guidelines on compensation of non-executive directors of private sector banks. The guidelines prescribed that in order to enable banks to attract and retain professional directors, it is essential that such directors are adequately compensated. For this purpose, a comprehensive policy for payment of compensation to non-executive directors should be formulated. The Board of Directors at its meeting held on October 21, 2015 approved the remuneration policy for payment of compensation or profit related commission to non-executive directors. The policy provides for payment of compensation in the form of profit related commission to the non-executive directors (other than Part-time Chairperson), subject to the bank making profits. Such compensation, however, shall not exceed ₹ 1 million per annum for each director. The Part-time Chairperson however, is being paid a fixed remuneration with the approval of RBI.

Also 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.

Accordingly, the Board of your Bank seek your approval for payment with effect from financial year 2015-16 (being the year in which RBI issued the aforesaid guidelines), 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 company for the relevant year subject to a maximum of ₹ 1 million per annum per director or any limits applicable under law / relevant RBI guidelines, 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.

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. 11 & 12

The present authorized share capital of the Company is. ₹ 550,00,00,000 (Rupees Fifty Hundred and Fifty Crore only). The Bank in order to meet its growth objectives and to strengthen its financial position, may be required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the authorized share capital of the Company from ₹ 550,00,00,000 (Rupees Five Hundred and Fifty Crore only) divided into 275,00,00,000 (Two Hundred and Seventy Five Crore) equity shares of ₹ 2 (Rupees Two) each, to ₹ 650,00,00,000 (Rupees Six Hundred and Fifty Crore only) divided into 325,00,00,000 (Three Hundred and Twenty Five Crore) equity shares of ₹ 2 (Rupees Two) each by creating additional 50,00,00,000 (Fifty Crore) equity shares of ₹ 2 (Rupees Two) each.

The new shares shall rank pari passu with the existing shares.

The provisions of the Companies Act, 2013 require the Bank to seek approval of the members for increase in the authorized share capital and for the alteration in capital clause of the Memorandum of Association.

The authorized share capital and Clause V of the Memorandum of Association is proposed to be suitably altered by passing Ordinary and Special resolution as set out at item no. 11 and 12 respectively. The Board of Directors accordingly recommend the resolution set out at item no. 11 and 12 of the accompanying notice for the approval of the shareholders of the Bank.

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

Item No. 13

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 22, 2016 has approved to seek the consent of the Members of the Bank for borrowing / raising funds in Indian currency by issue of Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Senior Long Term Infrastructure Bonds 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 year from the date hereof, in one or more tranches of an amount not exceeding ₹ 50,000 Crore. 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, 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.

The approval by way of special resolution of the members is, therefore, sought for issue of aforesaid NCD's / 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 said approval shall be the basis for the Board to determine the terms and conditions of any issuance of NCD's 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.13 above. The pricing of the Perpetual Debt Instruments (part of Additional Tier I capital), Tier II Capital Bonds and Senior Long Term Infrastructure Bonds 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 fixed rate or at a floating rate.

The Directors of the Bank accordingly recommend approval of the resolution set out in item no. 13 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. 14

OBJECT OF THE EMPLOYEE STOCK OPTION SCHEME

The Bank has always believed in aptly rewarding and motivating the employees with the intention to attract and retain the best talent. One of the measures adopted by the Bank towards this end is to grant stock options to the officers and employees from time to time. It is now proposed to issue stock options whereby, employees who comply with certain eligibility criteria would be given options to subscribe to a specified number of equity shares in the Bank. The employees could exercise the option after a stipulated time and after complying with the conditions subject to which the options are granted, by paying the appropriate consideration, consequent to which the shares would be allotted to them. The object of the Employees' Stock Option Scheme (hereinafter referred to as "**the Plan / ESOS**") is to motivate the employees and thereby improve the profitability of the Bank.

The following would inter-alia be the broad terms and conditions of the ESOS:

TOTAL NUMBER OF OPTIONS / SHARES TO BE GRANTED UNDER THE ESOS

It is proposed to grant 10,00,00,000 (Ten Crore) equity stock options entitling the grantees to subscribe to an aggregate of 10,00,00,000 (Ten Crore) equity shares of the Bank of the face value of ₹ 2 (Rupees Two) each. Out of these 10,00,00,000 (Ten Crore) equity stock options, the Board is authorized to grant upto a maximum

of 5,00,00,000 (Five Crore) equity stock options of the nominal face value not exceeding ₹ 2 (Rupees Two) per share during the financial year 2016-17 and that the remaining options may be granted by the Board during the financial year 2017-18 and / or thereafter.

IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED TO PARTICIPATE IN THE ESOS

The present as well as future employees and officers in the middle and senior management levels and whole time Director(s) of the Bank will be entitled to participate in the ESOS, subject to the applicable regulatory requirements and guidelines.

REQUIREMENTS OF VESTING AND PERIOD OF VESTING

In the event of the stock options being offered to employees, the employee should continue to remain in the employment of the Bank from the date of granting till the date of vesting of the stock options. As regards the Directors in whole-time employment of the Bank, they should continue to be directors of the Bank from the date of grant till the date of vesting of the stock options. Re-appointment of directors upon retirement by rotation or by renewal of contract or revision in the term shall be deemed to be continuity in tenure for the above purposes.

The vesting period shall commence on the expiry of one year from the date of grant of the options and could extend up to Five years from the date of grant of the options. The stock options could be granted in tranches and could vest in tranches. The number of stock options made available to a particular class / cadre of employees could vary at the discretion of the Nomination and Remuneration Committee.

MAXIMUM PERIOD WITHIN WHICH THE OPTIONS SHALL BE VESTED

From the date of grant of the options, the options shall vest in the employees within such period as may be prescribed by the Nomination and Remuneration Committee, which period shall as mentioned above, be not less than one year and not more than Five years from the date of grant of the options.

EXERCISE PRICE / PRICING FORMULAE

The stock options would be issued to the eligible employees at a price being the price quoted on the stock exchange on the previous day on which the options are granted.

In addition, the employee shall also be liable to pay to the Bank the amount equivalent to the value of the perquisite tax payable on exercise of the options in accordance with the provisions of the Income Tax Act, 1961 at the relevant time.

It is hereby clarified that the Bank shall be entitled to receive the entire consideration inclusive of applicable taxes at the time of exercise of the options by the employee, irrespective of when the Bank may be required to pay the tax to the relevant authorities.

For this purpose "the stock exchange" shall mean the stock exchange in India where there is highest trading volume of the Bank's shares on the date prior to the date of grant of options.

EXERCISE PERIOD AND THE PROCESS OF EXERCISE

From the date of vesting of the options, the employees shall be entitled to exercise the options from time to time within such period as may be prescribed by the Nomination and Remuneration Committee, which period shall not exceed a period of four years from the date of the respective vesting of the options.

The options would be exercisable by the said employees by payment of the consideration amount and submitting the requisite application form after which the shares would be allotted.

The Nomination and Remuneration Committee, may at its discretion, do all such acts, deeds, matters and things as may be necessary / desirable to facilitate exercise of options by the employees under full cash mode or otherwise.

APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY OF EMPLOYEES TO THE ESOS

Before granting the options to the employees under ESOS, the Nomination and Remuneration Committee would inter alia take into consideration the grade, performance, merit, length of service, future potential contribution and conduct of the employee and such other factors as may be deemed appropriate by it.

MAXIMUM NUMBER OF OPTIONS TO BE ISSUED PER EMPLOYEE AND IN THE AGGREGATE

The number of options that would be issued to an employee under the ESOS would be determined by the Nomination and Remuneration Committee. However, no single employee shall be granted options under the ESOS entitling such employee to equity shares in the Bank which would represent more than 1 % of the paid up share capital of the Bank as on the date of grant of options or 10 % of the total number of options granted under the Scheme. The minimum number of options that can be granted under the ESOS is zero.

IMPLEMENTATION AND ADMINISTRATION OF THE SCHEME

The scheme shall be implemented and administered directly by the Bank and involves new issue of 10,00,00,000 (Ten Crore) equity stock options entitling the grantees to subscribe to an aggregate of 10,00,00,000 (Ten Crore) equity shares of Bank of the face value of ₹ 2 (Rupees Two) each.

DISCLOSURE AND ACCOUNTING POLICIES

The Bank shall comply with the disclosure and accounting policies prescribed by the SEBI and any other appropriate regulatory authority.

METHOD TO VALUE OPTIONS

The Bank may use the intrinsic value method to value its options.

In case the Bank calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profit and on EPS of the Bank shall also be disclosed in the Directors' Report.

Approval of the members is sought in terms of Section 62 of Companies Act, 2013 and any other applicable provisions of law, for the issue of equity stock options convertible into equity shares of the Bank to the employees mentioned above under ESOS. The Board of Directors / Nomination and Remuneration Committee shall have the absolute authority to vary or modify the terms hereinabove in accordance with and subject to all applicable guidelines which may be stipulated by SEBI or otherwise.

The Directors recommend the special resolution at Item No. 14 of the accompanying notice for approval of the Members of the Bank.

Mr. Aditya Puri, Managing Director, Mr. Paresh Sukthankar, Deputy Managing Director, Mr. Kaizad Bharucha, Executive Director, Key Managerial Personnel and their relatives are interested in the resolution to the extent that stock options that may be granted to them from time to time. None of the other Directors are concerned or interested in the said resolution.

Additional information about Mr. Keki Mistry and Mrs. Renu Karnad pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Mr. Keki Mistry

Mr. Keki Mistry, aged 61 years, holds a Bachelor's Degree in Commerce from the Mumbai University. Mr. Mistry is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Mistry brings with him over three decades of varied experience in banking and financial services domain.

Mr. Mistry started his career with AF Ferguson & Co, a renowned Chartered Accountancy firm, followed by stints at Hindustan Unilever Limited and Indian Hotels Company Limited.

In the year 1981, Mr. Mistry joined Housing Development Finance Corporation Limited (HDFC Ltd). Mr. Mistry was inducted on to the Board of Directors of HDFC Ltd as an Executive Director in the year 1993 and was elevated to the post of Managing Director in November 2000. In October 2007, Mr. Mistry was appointed as Vice Chairman & Managing Director of HDFC Ltd and became the Vice Chairman & CEO in January 2010. In the current tenure of upto Eight (8) years, Mr. Mistry was first appointed on the Board of the Bank in the year 2012.

Relationship between directors inter-se

Mr. Keki Mistry is not related to any of the Directors of the Bank.

Listed entities (other than HDFC Bank Limited) in which Mr. Keki Mistry holds directorships and committee membership:

Mr. Mistry is on the Board of following listed companies:

1. Gruh Finance Limited - Chairman of the Company since 2000
2. Sun Pharmaceutical Industries Ltd.
3. Torrent Power Ltd.
4. HCL Technologies Ltd.
5. Housing Development Finance Corporation Limited

Mr. Mistry is the Chairman of the Audit Committee of Sun Pharmaceutical Industries Limited and Torrent Power Limited. He is a member of the Audit Committee of HCL Technologies Limited and Gruh Finance Limited.

Shareholding

Mr. Mistry, along with his relatives, holds 2,96,130 equity shares in the Bank as on March 31, 2016.

Mrs. Renu Karnad

Mrs. Renu Karnad, aged 63 years, is a law graduate and also holds a Master's Degree in Economics from Delhi University. Mrs. Karnad is a Parvin Fellow-Woodrow Wilson School of International Affairs, Princeton University, U.S.A.

Mrs. Karnad joined HDFC Ltd in 1978. After spending two decades in various positions, Mrs. Karnad was inducted on to the Board as Executive Director in 2000 and was further elevated to the post of Managing Director with effect from January 1, 2010.

Over the years, Mrs. Karnad has to her credit, numerous awards and accolades. Known for her wit and diplomacy, Mrs. Karnad has always had a humane approach towards solving complex issues. Mrs. Karnad firmly believes that people are key to an organization's success, especially in the service domain and propagates self-belief as the strongest weapon in achieving excellence. In the current tenure of up to Eight (8) years Mrs. Karnad was first appointed on the Board of the Bank in the year 2011.

Relationship between directors inter-se

Mrs. Renu Karnad is not related to any of the Directors of the Bank.

Listed entities (other than HDFC Bank Limited) in which Mrs. Renu Karnad holds directorships and committee membership:

She is a director on the Board of following listed compaies:

1. Housing Development Finance Corporation Limited
2. Gruh Finance Limited
3. Indraprastha Medical Corporation Limited
4. EIH Ltd.
5. Bosch Ltd.
6. ABB India Limited

Mrs. Karnad is the Chairperson and member of Audit Committee of Bosch Ltd. and ABB India Limited respectively. She is also a member in Stakeholders' Relationship Committee of Bosch Ltd. and ABB India Limited.

Shareholding in the Bank

Mrs. Karnad, along with her relatives, holds 2,94,620 equity shares in the Bank as on March 31, 2016.

All other information such as remuneration last drawn, number of meetings of Board attended etc. is furnished in the Corporate Governance Report and the same shall be deemed to have been included herein and forms an integral part of this information.

By order of the Board

Sanjay Dongre
Executive Vice President (Legal)
& Company Secretary
(Membership No. ACS 5966)

Date : May 19, 2016

Place : Mumbai