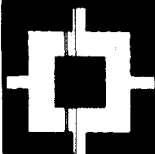


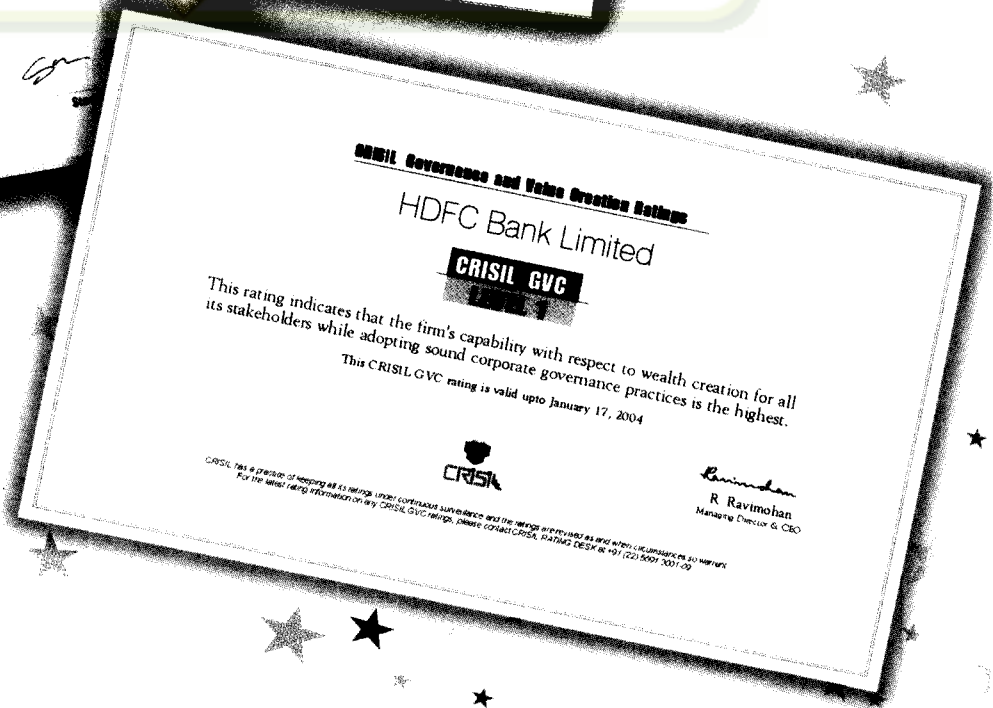
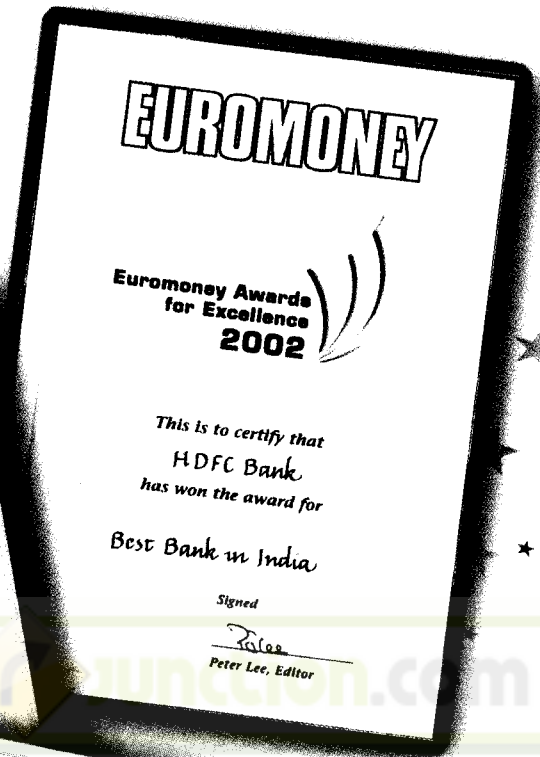
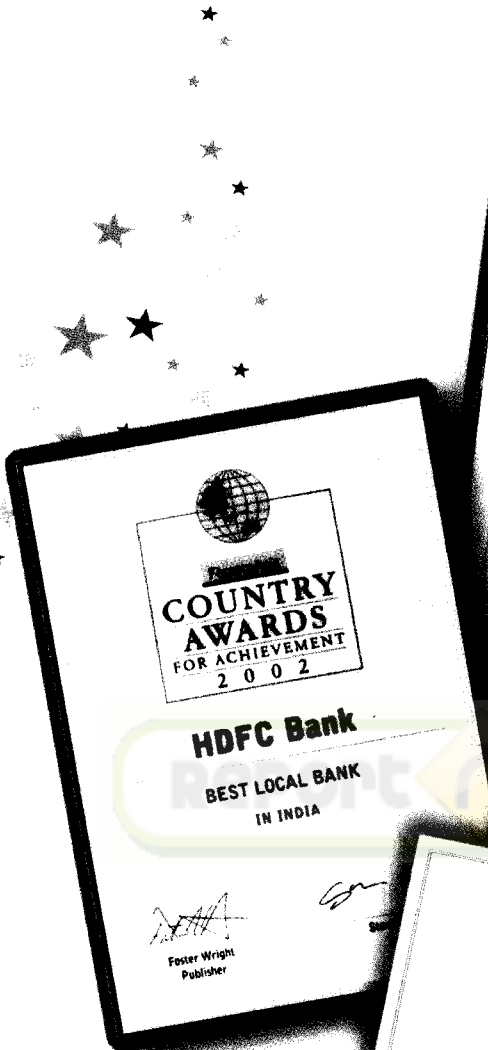
HDFC BANK



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HDFC BANK





Notice

NOTICE is hereby given that the Ninth 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 Monday, 2 June, 2003 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31 March, 2003 and Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vineet Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anil Ahuja who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Auditors and in this connection, to pass, with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s P. C. Hansotia & Co., Chartered Accountants, subject to the approval of the Reserve Bank of India, be and are hereby re-appointed as Auditors of the Bank to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration of such sum as may be fixed by the Audit & Compliance Committee of Board in the best interest of the Bank, for the purpose of audit of the Bank's accounts at its Head Office and all its branch offices."

SPECIAL BUSINESS :

6. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Arvind Pande be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

7. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Renu Karnad be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

8. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Keki Mistry be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

9. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or modification(s) or re-enactment(s) thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Bank and the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), and all other concerned and relevant authorities from time to time, to the extent applicable and subject to such approvals, consents, permissions, and sanctions of the Government of India, SEBI, RBI and all other appropriate authorities, institutions or bodies and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, the Board of Directors of the Bank (hereinafter referred to as "the Board" which term shall be deemed to include the Compensation Committee, for the time being authorised by the Board to exercise the powers conferred on the Board by this resolution and/or such other persons who may be authorised by the Board/ Compensation Committee in this regard) be and is hereby authorised to issue, offer and allot 1,00,00,000 equity stock options, convertible into Equity Shares of the aggregate nominal face

Notice - (Contd.)

value not exceeding Rs 10,00,00,000 (Rupees Ten Crores) to the present and future employees and directors of the Bank under an Employee Stock Option Scheme (hereinafter referred to as "ESOS") on the terms and conditions as set out in the Explanatory Statement to this item and on such other terms and conditions and in such tranche/s as may be decided by the Board in its absolute discretion."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, but subject to the terms, as approved by the members, the Board be and is hereby authorised to implement the scheme (with or without modifications and variations) in one or more tranches in such manner as the Board may determine."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writing as it may in its/his/their absolute discretion deem necessary or desirable and pay fees and commission and incur expenses in relation thereof."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the plan (including to amend or modify any of the terms thereof) and to the shares 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 this resolution."

"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
Vice President (Legal) &
Company Secretary

15 April, 2003

Regd. Office :
Sandoz House
Dr. Annie Besant Road,
Worli, Mumbai 400018

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK. The proxy form should be lodged with the Bank at its Registered Office at least 48 hours before the time of the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business is annexed hereto.
3. All documents referred to in the Notice are open for inspection at the Registered Office of the Bank on all working days between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
4. Dividend will be paid to those members whose names appear in the Register of Members as on 29 May, 2003. The dividend warrants will be mailed from 3 June, 2003 and onwards.
5. Pursuant to Section 205A of the Companies Act, 1956 the unclaimed application money has been transferred to the Investors Education and Protection Fund, established under Section 205C of the Companies Act, 1956.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. Arvind Pande is a graduate in science from Allahabad University. He also has a master's degree in Economics from Cambridge University, U.K.

Mr. Pande started his career in Indian Administrative Services and has held various responsible positions with the Government of India. Mr. Pande was Joint Secretary to the Prime Minister of India on issues relating to Economics, Science and Technology. He was also Special Advisor to the Government of Madhya Pradesh. He was Director of Department of Economic Affairs, Ministry of Finance dealing with World Bank aided projects. He was also advisor to the Executive Director for India, Bangladesh and Sri Lanka at the World Bank, Washington D.C., U.S.A. and assisted in policy issues relating to the World Bank assisted projects in India. Mr. Pande has traveled extensively within and outside India, participated in several aid/trade/procurement related negotiations.

Mr. Pande has extensive experience in managing public sector undertakings. He was the Chairman and Chief Executive Officer of Steel Authority of India Limited (SAIL) and Managing Director of Rourkela Steel Plant.

Mr. Pande has been appointed as an additional director of the Bank pursuant to Section 260 of the Companies Act, 1956 and would hold office till the date of the ensuing Annual General Meeting. The Bank would benefit immensely from the experience of Mr. Pande.

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

The Board of Directors recommend passing of the resolution set out in item No. 6 of the accompanying Notice.

None of the Directors other than Mr. Pande is interested or concerned in the passing of the resolution.

Item No. 7

Mrs. Renu Karnad holds a master's degree in Economics from the Delhi School of Economics with specialisation in International Trade and Econometrics. She also holds bachelors degree in law from the University of Bombay with specialisation in Criminology.

Mrs. Karnad is presently the Executive Director of Housing Development Finance Corporation Limited (HDFC). The Bank has received a request from HDFC, its promoters, to consider the appointment of Mrs. Karnad to represent them on the Board of the Bank. Mrs. Karnad was appointed as an additional Director of the Bank with effect from 17 July, 2002 pursuant to Section 260 of the Companies Act, 1956 and holds office up to the date of the ensuing Annual General Meeting.

For details of other directorships of Mrs. Renu Karnad, kindly refer to the Corporate Governance Report being part of the annual report of the Bank forwarded with this notice.

Pursuant to Section 257 of the Companies Act, 1956 the Bank has received notices from members signifying their intention to propose the candidature of Mrs. Karnad for the office of Director. The Bank has also received deposit of Rs.500/- (Rupees Five hundred only) as required under the Act.

The Board of Directors recommend passing of the resolution set out in item No. 7 of the accompanying Notice.

None of the Directors other than Mrs. Karnad is interested or concerned in the passing of the resolution.

Item No. 8

Mr. Keki Mistry is a Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. He is also a Certified Public Accountant of Michigan, USA and a member of the Michigan Association of Certified Public Accountants. Mr. Mistry is associated with Housing Development Finance Corporation Limited (HDFC)

Annexure to the Notice - (Contd.)

since October, 1981 and has held various responsible positions. At present, Mr. Mistry is the Managing Director of HDFC.

Besides his responsibilities within HDFC, Mr. Mistry was deputed on consultancy assignments to the Commonwealth Development Corporation (CDC) in Thailand, Mauritius, Caribbean Islands and Jamaica to review and evaluate the operations of mortgage financial institutions in these countries. He has also worked as a consultant for the Mauritius Housing Company in Mauritius and for the Asian Development Bank on the feasibility of establishing a secondary mortgage market in India.

Mr. Mistry has been associated with the Bank right from its inception and was on the Board for a period of eight (8) years approximately. Mr. Mistry had resigned from the directorship of the Bank with effect from 12 August, 2002 in view of the provisions of Section 10A(2A) of the Banking Regulation Act, 1949. Mr. Mistry, being a director of the promoter company can be re-appointed after expiry of minimum gap of six months. The Bank had received a request from HDFC, its promoters, to consider the appointment of Mr. Mistry de-novo to represent them on the Board of the Bank. Mr. Mistry was accordingly appointed as an Additional Director of the Bank with effect from 27 March, 2003 pursuant to Section 260 of the Companies Act, 1956 and holds office up to the date of the ensuing Annual General Meeting.

For details of other directorships of Mr. Mistry, please refer to Corporate Governance report being part of the annual report of the Bank forwarded with this notice

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

The Board of Directors recommend passing of the resolution set out in item No 8 of the accompanying Notice.

None of the Directors other than Mr. Mistry is interested or concerned in the passing of the resolution.

Item No. 9

In order to reward and motivate employees as also to attract and retain the best talent, the Board of Directors at its meeting held on 15 April, 2003 approved and proposed for the approval of the shareholders the issue of stock options as per which, employees who comply with certain eligibility criteria would be given options to subscribe to a specified number of equity shares of the Bank, offered to them at a price to be determined as mentioned herein below. The employees would be entitled to 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 "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 issued under the ESOS:

It is proposed to grant options for a total of 1,00,00,000 equity shares of the face value of Rs. 10/- each.

Identification of Classes of employees entitled to participate in the ESOS:

The present as well as future employees in the cadre between the officers to the Managing Director as well as the Board of Directors of the Bank will be entitled to participate in the ESOS, subject to the applicable regulatory requirements and guidelines issued by the Securities and Exchange Board of India ("the SEBI").

Requirements of vesting and period of vesting:

In the event of the stock options being offered to the 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 directors, they should continue to be directors of the Bank from the date of grant till the date of vesting of the stock options. Reappointment of directors upon retirement by rotation shall be deemed to be continuity in tenure for the above purpose.





Annexure to the Notice - (Contd.)

The vesting period shall commence on the expiry of one year from the date of grant of the options to the employees/directors and could extend up to five years from the date of grant of the options. The share 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 Compensation 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 / directors within such period as may be prescribed by the Compensation Committee, which period shall as mentioned above, being not less than one year and not more than five years from the date of grant of the options.

Exercise Price/Pricing Formula:

The Equity Shares would be issued to the eligible employees and directors at a price being the closing market price on immediately preceding working day on 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 within such period as may be prescribed by the Compensation Committee, which period shall not exceed a period of five 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 in cash and submitting the requisite application form after which the shares would be allotted.

Appraisal Process for determining the eligibility of employees to the ESOS:

Before granting the options to the employees under ESOS, the Compensation Committee would inter alia take into consideration the length of service, grade, performance, merit, future potential contribution and conduct of the employees 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 / director under the ESOS would be determined by the Compensation Committee of the Board.

Disclosure and Accounting policies:

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

The Board of Directors recommend the resolution for approval of the members.

Since the shares under the ESOS could be issued to the directors of the Bank, all the directors are concerned and interested in the said resolution set out at Item No. 9 of the Notice. The members' approval in accordance with this resolution is inter alia also being sought for authorising the Board of Directors and the Compensation Committee of Directors to do acts stated in the resolution hereinabove where they would be the beneficiaries.

Approval of the members is sought in terms of Section 81(1-A) of the Companies Act, 1956, for the issue of Equity Shares of the Bank to the persons mentioned above under ESOS. The Board / Committee shall have the absolute authority to vary or modify the terms stated herein above in accordance with and subject to all applicable guidelines which may be stipulated by SEBI or otherwise.

By order of the Board

Sanjay Dongre
Vice President (Legal) &
Company Secretary

15 April, 2003

Regd. Office :
Sandoz House
Dr. Annie Besant Road,
Worli, Mumbai 400018

HDFC BANK LIMITED

ENTRANCE PASS

(To be presented at the entrance)

9TH ANNUAL GENERAL MEETING ON 2 JUNE, 2003 AT 3.30 P.M.
at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai - 400 020

Folio No HB , DP ID No , Client A/c. No

Name of the Shareholder :

Signature of the Shareholder :

(only shareholders/proxies are allowed to attend the meeting)

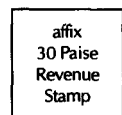
HDFC BANK LIMITED

PROXY FORM

I / We of being a member(s) of HDFC Bank Limited hereby
appoint of in the district of as my / our
proxy to attend and vote for me / us and on my / our behalf at the Ninth Annual General Meeting of HDFC Bank Limited to be held on
Monday, 2 June, 2003 and at any adjournment thereof.

Folio No. HB DPID No. Client A/c. No.

No. of shares held



Signed this day of May, 2003.

Signature across Revenue Stamp

BANK ACCOUNT PARTICULARS / ECS MANDATE FORM

I / We do hereby authorise HDFC Bank Limited.

- * Print the following details on my / our dividend warrant
- * Credit my dividend amount directly to my Bank account by ECS.

(* Strike out whichever is not applicable.)

My / our Folio No. : HB.....

Particulars of Bank Account :

DP ID No.....Client A/c. No.....

- A. Bank Name :
- B. Branch Name :
- Address (for Mandate only) :
- C. 9 Digit Code number of the bank & branch as appearing on the MICR cheque :
- D. Account Type (Saving / Current) :
- E. Account No. as appearing on the cheque book :
- F. STD Code & Telephone No. :

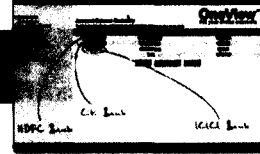
I/We shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinue(s) the ECS, for any reason.

MAIL TO

.....
Signature of the Shareholder

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank account particulars/ECS mandate.



Highlights

- ☑ Profit after tax up by 30.5% to Rs. 387.6 crores
- ☑ Earnings per share increases from Rs. 11.01 per share to Rs. 13.75 per share
- ☑ Dividend per share increases from Rs. 2.50 per share to Rs. 3.00 per share (proposed)
- ☑ Branch Network up from 171 to 231 outlets
- ☑ ATM network up from 479 to 732
- ☑ PhoneBanking coverage in 80 cities
- ☑ Point-of-Sale (POS) Terminals at merchant outlets up from 6480 to 21804
- ☑ Geographic reach expanded from 77 cities to 123 cities
- ☑ Balance Sheet size up from Rs. 23,787 crores to Rs. 30,424 crores
- ☑ Assigned highest rating 'CRISIL GVC Level 1' on corporate governance and value creation by The Credit Rating Information Services Of India Limited (CRISIL)

financial highlights

Rs. in lacs

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
Interest Income	37,608	67,987	125,946	170,299	202,297
Interest Expense	22,918	37,428	75,375	107,374	119,196
Net Interest Income	14,690	30,559	50,571	62,925	83,101
Other Income	6,807	12,535	18,553	33,325	47,310
Net Revenues	21,497	43,094	69,124	96,250	130,411
Operating costs	8,879	17,139	30,959	41,795	59,183
Operating Result	12,618	25,955	38,165	54,455	71,228
Loan Loss Provisions	758	5,360	5,296	8,577	8,839
Depreciation and amortisation on investments	94	581	1,338	1,916	5,257
Others	81	529	25	1,424	47
Profit before tax	11,685	19,485	31,506	42,538	57,085
Provision for taxation	3,445	7,481	10,494	12,834	18,325
Profit after tax	8,240	12,004	21,012	29,704	38,760
Funds :					
Deposits	291,511	842,772	1,165,811	1,765,381	2,237,607
Subordinated debt	13,500	15,000	20,000	20,000	20,000
Stockholders' Equity	33,893	75,152	91,309	194,228	224,483
Working Funds	434,996	1,173,103	1,561,733	2,378,738	3,042,408
Loans	140,056	346,234	463,666	681,372	1,175,486
Investments	190,380	574,828	714,514	1,200,402	1,338,808
Key Ratios :					
Earnings per share (Rs)	4.12	5.93	8.64	11.01	13.75
Return on Average Network	26.41%	29.00%	24.53%	18.30%	18.10%
Tier 1 Capital Ratio	8.34%	9.56%	8.69%	10.81%	9.49%
Total Capital Ratio	11.86%	12.19%	11.09%	13.93%	11.12%
Dividend per share (Rs)	1.30	1.60	2.00	2.50	3.00**
Dividend payout ratio	34.71%	29.96%	25.55%	23.68%	24.72%
Book value per share as at March 31 (Rs)	16.90	30.90	37.50	69.00	79.60
Market price per share as at March 31 (Rs)*	69.15	257.20	228.35	236.60	234.55
Price to Earnings Ratio	16.78	43.37	26.43	21.50	17.06
Rs. 10 Lac = Rs. 1 Million	Rs. 1 Crore = Rs. 10 Million	**Proposed	*Sources : NSE		