

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

Regd. Office: Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020
Corp. Office: HDFC House, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020
Corporate Identity Number: L70100MH1977PLC019916, Phone: +91-22-66316000, Fax: +91-22-22811203
Website: www.hdfc.com, E-mail: investorcare@hdfc.com

Notice

NOTICE IS HEREBY GIVEN THAT THE **FORTY SECOND ANNUAL GENERAL MEETING** OF HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED (THE “CORPORATION”) WILL BE HELD ON **FRIDAY, AUGUST 2, 2019, AT 2:30 P.M.**, AT “BIRLA MATUSHRI SABHAGAR”, 19, NEW MARINE LINES, MUMBAI 400 020, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the audited financial statements of the Corporation for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements for the financial year ended March 31, 2019 together with the report of the Auditors thereon.
2. To confirm the payment of interim dividend on equity shares and to declare final dividend on equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Mr. V. Srinivasa Rangan (DIN:00030248), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To fix the remuneration of Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022 issued by The Institute of Chartered Accountants of India), Statutory Auditors of the Corporation at ₹ 2,00,00,000 (Rupees Two crore only) plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit of the accounts of the Corporation.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution** for appointment of Dr. Bhaskar Ghosh as an Independent Director of the Corporation:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, the Articles of Association of the Corporation and approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Corporation, Dr. Bhaskar Ghosh (DIN:06656458), be and is hereby appointed as an Independent Director of the Corporation for a period of 5 (five) consecutive years with effect from September 27, 2018 up to September 26, 2023 **AND THAT** he shall not be liable to retire by rotation.”

6. To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution** for appointment of Ms. Ireena Vittal as an Independent Director of the Corporation:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder read with Schedule IV to the Companies Act, 2013, the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, the Articles of Association of the Corporation and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Corporation, Ms. Ireena Vittal (DIN:05195656), be and is hereby appointed as an Independent Director of the Corporation for a period of 5 (five) consecutive years with effect from January 30, 2019 up to January 29, 2024 **AND THAT** she shall not be liable to retire by rotation.”

7. To consider, and if thought fit, to pass the following resolution as a **Special Resolution** for re-appointment of Mr. Nasser Munjee as an Independent Director of the Corporation:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, the Articles of Association of the Corporation and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Corporation, Mr. Nasser Munjee (DIN:00010180) whose existing tenure as an Independent Director is up to July 20, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Corporation to hold office for another term of 2 (two)

consecutive years with effect from July 21, 2019 up to July 20, 2021 **AND THAT** he shall not be liable to retire by rotation.”

8. To consider, and if thought fit, to pass the following resolution as a Special Resolution for re-appointment of Dr. J. J. Irani as an Independent Director of the Corporation:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder read with Schedule IV to the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, the Articles of Association of the Corporation and the approval and recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Corporation, Dr. J. J. Irani (DIN:00311104) whose existing tenure as an Independent Director is up to July 20, 2019 and who has attained the age of seventy five years and being eligible, be and is hereby re-appointed as an Independent Director of the Corporation to hold office for another term of 2 (two) consecutive years with effect from July 21, 2019 up to July 20, 2021 **AND THAT** he shall not be liable to retire by rotation.”

9. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution for ratification and approval of Related Party Transactions with HDFC Bank Limited:

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and any other applicable provisions, including any amendment, modification, variation or re-enactment thereof, the Members of the Corporation do hereby ratify as also accord further approval to the Board of Directors of the Corporation (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for carrying out and/or continuing with arrangements and transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with HDFC Bank Limited (“HDFC Bank”), being a related party, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise including the banking transactions, transactions for (i) sourcing of home loans for the Corporation by HDFC Bank against the consideration of the commission agreed upon or as may be mutually agreed upon from time to time, (ii) assignment/securitisation of such percentage of home loan sourced by HDFC Bank or others, as may be agreed from time to time mutually between the Corporation and HDFC Bank, (iii) servicing of home loans assigned/securitised against the consideration agreed upon or as may be mutually agreed upon, from time to time, and (iv) 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 during the financial year 2019-20, in aggregate, may exceed 10% of the annual consolidated turnover of the Corporation as per the Corporation’s last audited financial statements or any other materiality threshold as may be applicable, from time to time.”

“RESOLVED FURTHER THAT the Members of the Corporation do hereby accord its approval to the Board to sign and execute all such documents, agreements 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) of the Corporation, to give effect to this resolution.”

10. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution for payment of commission to the non-executive directors of the Corporation:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof, and the Articles of Association of the Corporation, the non-executive directors (including independent directors) of the Corporation in addition to sitting fees being paid/payable to them for attending the meetings of the Board of Directors of the Corporation and/or any committee(s), be paid individually, every year for a period of 5 (five) years, with effect from April 1, 2020, profit related commission of an amount as may be determined by the Board of Directors of the Corporation (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of Directors duly constituted by the Board to exercise its powers conferred by this resolution), from time to time, subject to an overall ceiling of 1% of the net profits of the Corporation (computed in the manner referred to in Section 198 of the Companies

Act, 2013), in such manner as the Board may, from time to time, determine.”

11. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution for approving the revision in the salary range of Mr. Keki M. Mistry, Managing Director (designated as “Vice Chairman & Chief Executive Officer”) of the Corporation:

“RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof, approval of the Members of the Corporation be and is hereby accorded to revise the range of salary payable to Mr. Keki M. Mistry (DIN:00008886), Managing Director (designated as “Vice Chairman & Chief Executive Officer”) of the Corporation such that the upper limit of the salary payable to him be increased from ₹ 27,00,000 per month to ₹ 36,00,000 per month, with effect from January 1, 2019, with authority to the Board of Directors of the Corporation (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of Directors duly constituted by the Board to exercise its powers conferred by this resolution), to determine his salary, from time to time, within the said limit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that

may arise in this regard as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s) of the Corporation, to give effect to this resolution.”

12. To consider, and if thought fit, to pass the following resolution as a Special Resolution for issuance of Redeemable Non-Convertible Debentures and/or other hybrid instruments on private placement basis:

“RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, the Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment to any of the foregoing and other applicable guidelines, directions or laws, the consent of the Members of the Corporation be and is hereby accorded to the Board of Directors of the Corporation (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), to issue Redeemable Non-Convertible Debentures (NCDs) secured or unsecured and/or any other hybrid instruments (not in the nature of equity shares) which may or may not be classified as being Tier II capital under the provisions of the

Housing Finance Companies (NHB) Directions, 2010, for cash either at par or premium or at a discount to the face value, for an aggregate amount not exceeding ₹ 1,25,000 crore (Rupees One lac Twenty Five thousand crore only) under one or more shelf disclosure document(s) and/or under one or more letter(s) of offer as may be issued by the Corporation and in one or more series, during a period of one year commencing from the date of this Annual General Meeting, on a private placement basis and on such terms and conditions as the Board may deem fit and appropriate for each series, as the case may be; provided however that the borrowings including by way of issue of NCDs and/or any other hybrid instruments will be within the overall limit of borrowing as approved by the Members of the Corporation, from time to time.”

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

By Order of the Board

MUMBAI
May 13, 2019

Ajay Agarwal
Company Secretary
FCS: 9023

NOTES:

i. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Corporation. The proxy form, to be valid and effective, should be lodged with the Corporation at its Registered Office, duly stamped, completed and signed, not less than 48 hours before the commencement of the AGM (i.e. on or before July 31, 2019, 2:30 p.m.).

ii. A person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than 10% of the total share capital of the Corporation carrying voting rights. A Member holding more than 10% of the total share capital of the Corporation carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Member.

iii. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.

iv. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Corporation, a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.

v. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast through remote e-voting.

vi. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 12 is annexed hereto and forms part of this Notice.

vii. Information with regard to Mr. V. Srinivasa Rangan, Dr. Bhaskar Ghosh, Ms. Ireena Vittal, Mr. Nasser Munjee,

Dr. J. J. Irani and Mr. Keki M. Mistry, as stipulated under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and the applicable Secretarial Standard, is annexed hereto.

viii. The Register of Members and Share Transfer Books of the Corporation will remain closed from Tuesday, July 23, 2019 to Friday, August 2, 2019 (both days inclusive), for the purpose of payment of final dividend for the year ended March 31, 2019.

ix. Members holding shares in physical form are requested to note that SEBI vide its press release no.12/2019 dated March 27, 2019 has clarified that effective April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form.

x. Members holding shares in physical form are requested to promptly notify in writing any change in their address, details relating to nomination, e-mail address etc. to the **Investor Services Department of the Corporation (ISD) at 5th Floor, Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020**. Members holding shares in electronic form are requested to notify the change in above particulars directly to their respective Depository Participant(s) (DP).

xi. Members are requested to update their PAN and bank account details with the Corporation (in case of physical holding) and with their respective DP (in case of electronic holding).

xii. The Annual Report of the Corporation for the year ended March 31, 2019 along with Notice is being sent by e-mail to those Members who

have registered their e-mail address with the Corporation or with their respective DP.

xiii. This Notice and the Annual Report of the Corporation for the financial year 2018-19 is placed on the website of the Corporation, www.hdfc.com. The Notice is also placed on the website of National Securities Depository Limited (NSDL), www.evoting.nsdl.com.

xiv. In case a Member is desirous of obtaining the Notice or Annual Report in printed form, he/she may write to the Corporation or send an e-mail to investorcare@hdfc.com.

xv. All documents referred to in this Notice and other statutory registers are open for inspection by the Members at the Registered Office of the Corporation on all working days except Saturdays, Sundays and National Holidays between 10:00 a.m. and 12 noon from the date hereof up to the date of the AGM and also at the venue of the AGM. Proxy register would be available for inspection in accordance with the applicable laws.

xvi. In terms of the provisions of Section 107 of the Companies Act, 2013, since e-voting is being offered in respect of the resolutions set out in this Notice, the said resolutions will not be decided on a show of hands at the AGM.

xvii. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Corporation as on the cut-off date i.e., Friday, July 26, 2019.

xviii. Voting through electronic means

In compliance with the provisions of Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and the Secretarial Standard on General Meetings, the Corporation is providing a facility to all its Members to enable them to cast their vote on

the resolutions listed in this Notice by electronic means (e-voting). The e-voting facility is provided through e-voting portal of NSDL.

Steps for remote e-voting:

a) Visit the e-voting website of NSDL. Open the web browser and type the following URL: www.evoting.nsdl.com.

b) Once the home page of e-voting is launched, click on the icon “Login” which is available under “Shareholders” section.

c) A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen.

d) If you are already registered with NSDL for e-voting, then use your existing User ID and Password for Login.

e) If you are logging in for the first time, then:

- In case you have received this Notice by e-mail, the User ID and Password is mentioned in the file attached. To open the file, please use your Client ID or Folio No. as password, as mentioned below:

Manner of holding shares i.e. Electronic (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
c) For Members holding shares in Physical Form.	E-Voting Event Number (EVEN) followed by Folio No. registered with the Corporation. For e.g. : For Folio No. A0002561, the User ID will be 110702A0002561

- In case you have received this Notice in physical form, then the said details are provided in the

Attendance Slip.

EVEN	USER ID	PASSWORD/ PIN
110702	Refer – Attendance Slip	

- The Password Change Menu will appear on your screen. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note the new password. Please take utmost care to keep your password confidential.

f) Once the home page of e-voting opens, click on e-voting: Active Voting Cycles.

g) Select EVEN of Housing Development Finance Corporation Limited, which is provided above.

h) Once you select the EVEN, the Cast Vote page will open. Now you are ready for e-voting.

i) Cast your vote by selecting your favoured option, along with the number of shares for which you wish to cast your vote and then click on “Submit” and also “Confirm” when prompted.

j) Upon confirmation, the message “Vote cast successfully” will be displayed. Please note that once your vote is cast on a selected resolution, it cannot be modified.

k) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant board resolution/authority letter, etc., together with attested specimen signature(s) of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer by e-mail to scrutinizer@hdfc.com with a copy marked to evoting@nsdl.co.in by quoting the DP ID and Client ID or Folio No.

l) If you are unable to retrieve or have not received the “Initial Password” or have forgotten your password:

a. Click on “[Forgot User Details/ Password?](#)” (If you are holding shares in electronic form) option available on www.evoting.nsdl.com.

b. Click on “[Physical User Reset Password?](#)” (If you are holding shares in physical form) option available on www.evoting.nsdl.com.

xix. Voting at AGM:

Members who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The Corporation will make arrangements for voting at the AGM venue.

xx. General Instructions:

a) In case of any queries, please refer to the FAQs-Shares and e voting User Manual-Shareholder available in the Downloads section at www.evoting.nsdl.com or call on toll free no.: 1800-222-990. You can also mail your queries to NSDL by sending an e-mail to evoting@nsdl.co.in or contact Ms. Pallavi Mhatre - Manager, NSDL at the toll free number or at 022-24994600.

b) The remote e-voting period shall commence at 10:00 a.m. on Monday, July 29, 2019 and end at 5:00 p.m. on Thursday, August 1, 2019. The e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members holding shares of the Corporation either in physical or electronic form, as on Friday, July 26, 2019, may cast their vote. The Members who have cast their vote electronically may participate at the AGM but shall not be allowed to change it subsequently and shall not be entitled to vote again.

c) Any person, who acquires shares of the Corporation and becomes a Member of the Corporation after

dispatch of this Notice and holds shares as of the cut-off date i.e., Friday, July 26, 2019, may obtain User ID and Password by sending a request to evoting@nsdl.co.in by mentioning his/her Folio No./DP ID and Client ID. However, if you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for casting your vote.

d) A person who is not a Member as on the cut-off date should treat this Notice solely for information purposes.

e) Mr. N. L. Bhatia, Company Secretary (Membership No. FCS 1176), Managing Partner, Messrs N L Bhatia & Associates, Practising Company Secretaries (C.P. No. 422) has communicated his willingness and has been appointed by the Corporation to act as the Scrutinizer to scrutinize

the e-voting process in a fair and transparent manner.

f) The Scrutinizer shall submit a consolidated report of the total votes cast in favour of or against, if any, on each of the resolutions set out in this Notice, not later than 48 hours from the conclusion of the AGM, to the Chairman of the Corporation. The Chairman or any other person authorised by the Chairman shall declare the result of the voting forthwith.

g) The result, along with the Scrutinizer's Report shall be placed on the website of the Corporation and NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

h) Subject to the receipt of requisite number of votes, the resolutions as set

out in this Notice shall be deemed to be passed on the date of the AGM i.e., August 2, 2019.

i) For security reasons and for proper conduct of the AGM, entry to the AGM venue will be regulated by the Attendance Slip, which is annexed to this Notice. Members/proxies are requested to bring their Attendance Slip complete in all respects and signed at the place provided thereat and hand it over at the entrance of the venue. The route map of the AGM venue is also annexed to this Notice.

j) Members desiring any information relating to the financial statements of the Corporation are requested to write to the Corporation at least 10 days before the AGM, to enable the Corporation to keep the information ready at the AGM.

Annexure to the Notice

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

As required under Section 102(1) of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the special business mentioned under Item Nos. 5 to 12 of this Notice. Explanation to ordinary business mentioned under Item No. 4 has been provided on a voluntary basis.

Item No. 4

The Members of the Corporation at the 40th Annual General Meeting (AGM) held on July 26, 2017 appointed Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022 issued by The Institute of Chartered Accountants of India) as the Statutory Auditors of the Corporation for a term of five consecutive years to hold office as such from the conclusion of the said AGM until the conclusion of the 45th AGM of the Corporation, subject to ratification by the Members at every

AGM. At the said AGM, the Members also approved a remuneration of ₹ 1,67,00,000 plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit of the accounts of the Corporation.

Thereafter, the Ministry of Corporate Affairs vide Companies (Amendment) Act, 2017 dispensed with the requirement of seeking ratification of appointment of auditors by the Members at every AGM. Post the said amendment to the Companies Act, 2013, the Corporation is not required to seek the ratification of the Members for the appointment of Messrs B S R & Co. LLP as Statutory Auditors, every year. Accordingly and similar to last year, the Corporation is not seeking ratification of the said appointment and therefore the Board does not recommend seeking ratification of the said appointment.

The Corporation has however obtained a certificate from the auditors that they continue to meet the criteria for independence, eligibility and qualification as prescribed in Section

141 of the Companies Act, 2013. The Corporation also confirms that the Statutory Auditors do not render any such services as mentioned in Section 144 of the Companies Act, 2013 to either the Corporation or any of its subsidiaries.

During the year ended March 31, 2019, the Corporation has paid the following amount (excluding applicable taxes) to Messrs B S R & Co. LLP:

Particulars	Amount (₹ in crore)
Audit Fees	1.67
Internal Control and Financial Reporting	0.30
Limited Reviews	0.95
Tax Audit	0.60
One time fees towards convergence into Ind AS	0.70
Total	4.22

In addition to the above, the Corporation has also paid ₹ 0.65 crore towards other matters and certifications and ₹ 0.07 crore towards reimbursement of expenses.

It is proposed to increase the audit fee payable to the auditors to ₹ 2,00,00,000 plus applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit of the accounts of the Corporation for the financial year 2019-20 and for such years thereafter till the same is revised.

The Board recommends the payment of revised remuneration to Messrs B S R & Co. LLP being the Statutory Auditors of the Corporation as set out at Item No. 4 of this Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Corporation or their relatives are in any way concerned or interested, financially or otherwise, in the said matter as set out in Item No. 4.

Item Nos. 5 and 6

During the year, the Nomination and Remuneration Committee of Directors outlined the skill set required by the directors based on various factors including the business operations of the Corporation and the industry in which it operates. Thereafter, the Committee also mapped the skill set required with the skills that were possessed by the then directors and was of the view that the Corporation would need to appoint independent director(s) with expertise in information technology, data analytics, digital platforms and cyber security and also in consumer behaviour, sales and marketing.

After evaluating the candidature of several eminent persons, the Nomination and Remuneration Committee recommended the appointment of Dr. Bhaskar Ghosh (DIN:06656458), group chief executive of Accenture Technology Services being an expert in information technology, data analytics, digital platforms, cyber security, consumer behaviour, sales & marketing, risk management and strategic thinking,

as an Independent Director of the Corporation.

The Nomination and Remuneration Committee further after perusing the profile of Ms. Ireena Vittal (DIN:05195656), who is an expert in strategy including digital, business finance, marketing (consumer behaviour & insights) & sales/channel evolution and has vast experience in agriculture, urbanisation and rural sector recommended her appointment as an Independent Director of the Corporation. The Committee also noted that Dr. Ghosh and Ms. Vittal meet the various criteria enumerated in the Policy on Appointment of Directors and Members of Senior Management.

Profile of Dr. Bhaskar Ghosh and Ms. Ireena Vittal is provided as a part of this Notice.

The Corporation had also received declarations from Dr. Ghosh and Ms. Vittal confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). They also confirmed that they satisfy the fit and proper criteria as prescribed under Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 and that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 nor have been debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (SEBI) or any such authority and have given their consent to act as Directors of the Corporation.

Based on the above, the Board of Directors of the Corporation opined that Dr. Ghosh and Ms. Vittal fulfill the conditions for independence

specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management of the Corporation. The Board thereafter approved the appointment of Dr. Bhaskar Ghosh and Ms. Ireena Vittal as Independent Directors of the Corporation with effect from September 27, 2018 and January 30, 2019 respectively, for a term of 5 (five) consecutive years each from their respective dates of appointment, subject to the approval of the Members of the Corporation. Dr. Ghosh and Ms. Vittal shall not be liable to retire by rotation.

The letter of appointment issued to Dr. Ghosh and Ms. Vittal setting out the terms and conditions and other material documents are available for inspection.

The approval of the Members is being sought for the appointment of Dr. Ghosh and Ms. Vittal as Independent Directors of the Corporation each for a term of five consecutive years each, with effect from September 27, 2018 and January 30, 2019 respectively, pursuant to the provisions of Sections 149, 152 and Schedule IV to the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions and they shall not be liable to retire by rotation. The Corporation has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from certain Members proposing the candidature of Dr. Ghosh and Ms. Vittal for appointment as Independent Directors of the Corporation.

The Board recommends the passing of the ordinary resolutions as set out at Item Nos. 5 and 6 of this Notice, for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Corporation or their

relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions as set out at Item Nos. 5 and 6 of this Notice.

Item Nos. 7 and 8

The Members of the Corporation at the 37th Annual General Meeting (AGM) held on July 21, 2014 appointed Mr. Nasser Munjee (DIN:00010180) and Dr. J. J. Irani (DIN:00311104) as Independent Directors of the Corporation for a term of 5 (five) consecutive years from the date of that AGM and accordingly they hold office as such up to July 20, 2019.

The Nomination and Remuneration Committee of Directors after evaluating the contribution of Mr. Nasser Munjee and Dr. J. J. Irani to the strategic direction of the Corporation and its overall growth, their performance and also considering the skills, experience and knowledge they bring to the Board, recommended the re-appointment of Mr. Nasser Munjee and Dr. J. J. Irani as Independent Directors each for another term of 2 (two) consecutive years with effect from July 21, 2019. The Board of Directors at its meeting held on May 13, 2019 considered and approved the said re-appointments, subject to the approval of the Members of the Corporation.

The Corporation has also received declarations from Mr. Munjee and Dr. Irani confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). They have also confirmed that they satisfy the fit and proper criteria as prescribed under Housing

Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 and that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 nor have been debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (SEBI) or any such authority and have given their consent to act as Directors of the Corporation.

Dr. J. J. Irani has completed seventy five years of age and according to the provisions of Listing Regulations he can be appointed/continue as director only if the Corporation has obtained the approval of its Members by way of a special resolution. Accordingly, the approval of Members for re-appointment of Dr. J. J. Irani as mentioned in resolution as set out at Item No. 8 is also sought towards the same.

In the opinion of the Board of Directors of the Corporation, Mr. Munjee and Dr. Irani continue to fulfill the conditions for independence specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management of the Corporation. They also meet the various criteria enumerated in the Policy on Appointment of Directors and Members of Senior Management.

Draft of the letters of appointment to be issued to Mr. Munjee and Dr. Irani setting out the terms and conditions and other material documents are available for inspection.

In terms of the provisions of Section 149(10) of the Companies Act, 2013, re-appointment of an Independent Director for a second term requires passing of a special resolution. Accordingly, approval of Members by way of a special resolution is being sought for re-appointment of Mr. Munjee and Dr. Irani as Independent Directors for another

term of 2 (two) years each.

The Corporation has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from certain Members proposing the candidature of Mr. Munjee and Dr. Irani for re-appointment as Independent Directors of the Corporation.

Profile of Mr. Nasser Munjee and Dr. J. J. Irani is provided as a part of this Notice.

The Board recommends the passing of the special resolutions as set out at Item Nos. 7 and 8 of this Notice, for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Corporation or their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions as set out at Item Nos. 7 and 8 of this Notice.

Item No. 9

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

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

Under the arrangement between the

Corporation and HDFC Bank Limited (hereinafter referred to as “HDFC Bank”), HDFC Bank sources home loans for the Corporation through its branches across India. On receipt of home loan application through HDFC Bank, the Corporation after necessary due diligence (credit, legal and technical) approves and disburses the loan. The loans form part of the Corporation’s loan book. HDFC Bank receives a sourcing fee for the loans sourced by it. Under the current arrangement, HDFC Bank has a right but not an obligation to purchase a maximum of 70% or such percentage as may be mutually agreeable, of the disbursed home loans sourced under the said arrangement.

The above arrangement has been approved by the Board of Directors of the Corporation (hereinafter referred to as “Board” which term shall be deemed to include any committee constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by the said resolution) and HDFC Bank. The arrangement for sourcing of home loans and also the assignment thereof is in the ordinary course of business of the Corporation and on an arm’s length basis. The Board is of the opinion that such an arrangement is beneficial to both the companies based on the economic and commercial factors. The Corporation has access to HDFC Bank’s wide customer base spread across a network of 5,103 branches. HDFC Bank in turn gets the benefit of an additional retail finance product together with the expertise of the Corporation in credit, legal and technical appraisals of home loans, which has been time tested over last several years. The Corporation continues to service the loans and the synergy of the arrangement makes it beneficial to the Members and customers of both the organisations. As per the

arrangement, the loans continue to be serviced by the Corporation, for which it is paid a consideration on mutually agreeable terms.

In addition to the above, the Corporation enters into various transactions with HDFC Bank including banking transactions and those disclosed in the notes forming part of the financial statements. In the financial year 2018-19, all these aforementioned transactions in terms of aggregate value, have exceeded 10% of the Corporation’s annual consolidated turnover for the relevant year for which necessary approval was taken from the Members of the Corporation at the 41st AGM held on Monday, July 30, 2018. The transactions have been continued so far in the financial year 2019-20 and are expected to exceed the prescribed threshold limits under the Listing Regulations so as to qualify as material related party transactions.

Accordingly, as per Regulation 23 of the Listing Regulations, approval of the Members is sought for ratification of the arrangements/transactions undertaken whether by way of continuation/extension/renewal/modification of earlier arrangements/transactions or otherwise so far in the financial year 2019-20. The Audit Committee of Directors has already granted approval for assignment/sale of home loans and other types of transactions with HDFC Bank under the omnibus route for the financial year 2019-20. The Corporation may assign/sell home loans up to an amount of ₹ 25,000 crore to HDFC Bank during the financial year 2019-20.

Accordingly, the Corporation proposes to obtain approval of its Members for ratifying as also for giving further approval to the Board for carrying out and/or continuing with the following arrangements and transactions with HDFC Bank: (i) whether by way of renewal(s) or

extension(s) or modification(s) of earlier arrangements/transactions or otherwise including banking transactions; (ii) transactions for sourcing of home loans for the Corporation against the consideration of the commission agreed upon or as may be mutually agreed upon, from time to time; (iii) assignment/securitisation of such percentage of home loans to HDFC Bank sourced by it as may be agreed upon, from time to time, mutually between the Corporation and HDFC Bank; (iv) arrangement of servicing of the home loans assigned/securitised by the Corporation against the consideration agreed upon or as may be mutually agreed upon, from time to time; and (v) any other transactions including transactions as may be disclosed in the notes forming part of the financial statements for the relevant period; during the financial year 2019-20.

The above stated arrangements and transactions with HDFC Bank amount to related party transactions falling within the purview of the Listing Regulations and all these arrangements and transactions in aggregate, within the financial year 2019-20, may exceed 10% of the annual consolidated turnover of the Corporation as per its last audited financial statements or any other threshold for qualifying a transaction as material related party transaction as may be applicable, from time to time, under the Listing Regulations.

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

The Board recommends passing of the ordinary resolution as set out at Item No. 9 of this Notice, for the approval of the Members.

Mr. Keki M. Mistry is a Director of HDFC Bank. None of the other Directors or Key Managerial Personnel of the Corporation or their relatives,

other than to the extent of their shareholding in the Corporation and HDFC Bank, if any, are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 9 of this Notice.

The Members may please note that in terms of the provisions of the Listing Regulations, all related parties as defined thereunder are prohibited from voting in favour of the resolution as set out at Item No. 9 of this Notice.

Item No. 10

The Members of the Corporation had at the 37th Annual General Meeting (AGM) held on Monday, July 21, 2014 approved the payment of commission to the non-executive directors of the Corporation of an amount in aggregate to all of them, equivalent to such sum as may be determined by the Board of Directors, subject to an overall ceiling of 1% of net profits of the Corporation to be computed in accordance with Section 198 of the Companies Act, 2013, for a period of 5 years with effect from April 1, 2015.

The non-executive directors are also paid fees for attending the meetings of Board of Directors/Committees, as decided by the Board of Directors from time to time, within the limits prescribed under the Companies Act, 2013.

While in terms of Section 197(1) of the Companies Act, 2013, the approval of the Members is not required for the payment of commission to the non-executive directors up to 1% of the net profits of the Corporation, Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires the approval of shareholders for payment of all fees or compensation to the non-executive directors including independent directors.

The details of commission and sitting fees paid/payable to the non-executive directors for the financial year 2018-19 are disclosed in Form No. MGT-9 forming part of Director's Report. It may be noted that the commission payable to the non-executive directors including independent directors for the financial year 2018-19 is way below the approved ceiling of 1% of the net profits of the Corporation i.e., ₹ 115.94 crore calculated in terms of section 198 of the Companies Act, 2013 whereas the commission as approved by the Board of Directors and payable to the non-executive directors for the financial year 2018-19 is ₹ 4.27 crore which represents 0.04% of the net profit calculated as aforesaid.

Accordingly, the ordinary resolution as set out at Item No. 10 of this Notice is an enabling authority to the Board of Directors of the Corporation to decide on the commission payable to the non-executive directors for a period of 5 years, with effect from April 1, 2020.

The Board recommends passing of the ordinary resolution as set out at Item No. 10 of this Notice, for the approval of the Members.

All the non-executive directors including independent directors of the Corporation and their relatives are interested in the resolution as set out at Item No. 10 of this Notice. None of the whole-time directors or Key Managerial Personnel of the Corporation or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 11

Considering the contribution of Mr. Keki M. Mistry to the growth in operations and profitability of the Corporation and as part of the annual revision, the Nomination and Remuneration Committee of

Directors had at its meeting held on March 6, 2019, revised the salary of Mr. Keki M. Mistry to ₹ 28,35,000 per month from ₹ 25,30,000 per month with effect from January 1, 2019, representing an increase of 12.06%. However, since the said salary is beyond the current upper range of his salary i.e., ₹ 27,00,000 approved by the Members on July 26, 2017, Mr. Keki M. Mistry is being paid ₹ 27,00,000 per month effective January 1, 2019.

The Nomination and Remuneration Committee is of the view that Mr. Keki M. Mistry has provided meritorious services and significant contribution to the overall growth of the Corporation and hence recommended the revision in the upper limit of his salary from ₹ 27,00,000 per month to ₹ 36,00,000 per month with effect from January 1, 2019, for the approval of the Members. The increase in the upper limit of the salary to ₹ 36,00,000 per month is only an enabling resolution providing authority to the Board/ Nomination and Remuneration Committee to decide on the salary payable to Mr. Keki M. Mistry upto the said upper limit, from time to time.

Subsequent to receipt of the approval of the Members, Mr. Keki M. Mistry would be paid the difference i.e., ₹ 1,35,000 per month (revised salary ₹ 28,35,000 per month minus existing upper limit ₹ 27,00,000 per month) with effect from January 1, 2019. The other terms of his appointment/remuneration shall remain the same as approved by the Members at the 41st Annual General Meeting held on July 30, 2018.

It may be noted that the salary payable to the managing directors commensurate with the performance of the Corporation, which in accordance with the remuneration policy, is reviewed every year by the Nomination and Remuneration Committee. The Committee based on