



## 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](http://www.hdfc.com), E-mail: [investorcare@hdfc.com](mailto:investorcare@hdfc.com)

### Notice

NOTICE IS HEREBY GIVEN THAT THE **FORTIETH ANNUAL GENERAL MEETING** OF HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED (THE "**CORPORATION**") WILL BE HELD ON **WEDNESDAY, JULY 26, 2017, AT 2:30 P.M.**, AT "BIRLA MATUSHRI SABHAGAR", 19, NEW MARINE LINES, MUMBAI 400 020, TO TRANSACT THE FOLLOWING BUSINESSES:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the audited financial statement of the Corporation for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statement for the financial year ended March 31, 2017 together with the report of the Auditors thereon.
2. To confirm the payment of interim dividend on equity shares and declare final dividend on equity shares for the financial year ended March 31, 2017.
3. To appoint a Director in place of Ms. Renu Sud Karnad (DIN: 00008064), who retires by rotation and, being eligible, offers herself for re-appointment.
4. 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.
5. **To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution for appointment of auditors and to fix their remuneration:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142

and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022 issued by The Institute of Chartered Accountants of India) be and are hereby appointed as Auditors of the Corporation for a period of 5 (five) consecutive years, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the 45<sup>th</sup> Annual General Meeting of the Corporation, subject to ratification of such appointment by the Members of the Corporation at every Annual General Meeting on a remuneration of ₹ 1,67,00,000 (Rupees One Crore Sixty Seven lac 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 for the financial year 2017-18."

#### SPECIAL BUSINESS:

6. **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 a private placement basis:**

**"RESOLVED THAT** in terms of the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Housing Finance Companies issuance of Non-Convertible Debentures on a private placement basis (NHB) Directions, 2014, Rule 14 of the Companies (Prospectus and Allotment of Securities) 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 can 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, up to an aggregate amount not exceeding ₹ 85,000 crore (Rupees Eighty Five thousand crore only) under one or more shelf disclosure document(s) and/or under one or more letters 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 by way of issue of NCDs and/or any other hybrid instruments will be within the overall limit of borrowings as approved by the Members."

**“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.”

**7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution for 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, modifications, 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 transactions or transactions taken together or series of transactions or otherwise) with HDFC Bank Limited (**“HDFC Bank”**), 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 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/securitized against the consideration agreed upon or as may be 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 statement for the relevant period, notwithstanding the fact that all these transactions during the financial year 2017-18, in aggregate, may exceed 10% of the annual consolidated turnover of the Corporation as per the Corporation’s last audited financial statement or any materiality threshold as may be applicable, from time to time, under the Listing Regulations.”

**“RESOLVED FURTHER THAT** the Members of the Corporation do hereby ratify as also accord further approval to the Board 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) of the Corporation, to give effect to this resolution.”

**8. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution for approving the revision in the salary range of the whole-time directors of the Corporation:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197,

198 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 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 the Managing Directors of the Corporation from the existing range of ₹ 10,00,000 to ₹ 20,00,000 per month to ₹ 15,00,000 to ₹ 27,00,000 per month and that of the Executive Directors of the Corporation from the existing range of ₹ 5,00,000 to ₹ 15,00,000 per month to ₹ 5,00,000 to ₹ 20,00,000 per month, with effect from January 1, 2017, 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 their salary, from time to time, within the said salary range.”

**“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.”

**9. To consider, and if thought fit, to pass the following resolution as a Special Resolution for adoption of a new set of Articles of Association of the Corporation:**



**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules 2014, and any other rules framed thereunder including any amendment, modification, variation, or re-enactment thereof and subject to such approvals as may be required, the draft Articles of Association of the Corporation submitted to this meeting and which is available for public inspection at the registered office of the Corporation and on its website, be and is hereby approved and adopted in substitution and to the entire exclusion of the existing Articles of Association of the Corporation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Corporation be and is hereby severally authorised to undertake all such acts, deeds, matters and things as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to give effect to this resolution and to settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Corporation.”

By Order of the Board

Ajay Agarwal

Company Secretary

FCS : 9023

MUMBAI  
May 4, 2017

**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 COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM.**

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

iii. 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.

iv. A Statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to Item Nos. 5 to 9 of this Notice is annexed herewith and the same should be taken as part of this Notice.

v. As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”) and the provisions of the Secretarial Standard on General Meetings, a brief profile of Ms. Renu Sud Karnad and Mr. V. Srinivasa Rangan is set out in this Notice.

vi. The Register of Members and Share Transfer Books of the Corporation will remain closed from Tuesday, July 18, 2017 to Wednesday, July 26, 2017 (both days inclusive), for the purpose of payment of dividend.

vii. In accordance with the provisions of Section 123 of the Companies Act, 2013, final dividend on equity shares as recommended by the Board of Directors, if declared at the AGM, will be paid to those Members

whose names appear in the Register of Members of the Corporation/the statement of beneficial ownership maintained by the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as at the close of business hours on Monday, July 17, 2017.

viii. Members holding shares in physical form are requested to promptly notify in writing any change in their address/bank account details to the **Investor Services Department of the Corporation (ISD) at 5<sup>th</sup> 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 the above particulars, if any, directly to their Depository Participant(s) (DP).

ix. This Notice and the Annual Report of the Corporation for the financial year 2016-17 are being sent through e-mail to those Members who have registered their e-mail address with the Corporation (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form).

The Corporation requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form or with the Corporation, in case shares are held in physical form.

x. The Notice and Annual Report 2016-17 of the Corporation is also available on the Corporation’s website, [www.hdfc.com](http://www.hdfc.com).

xi. In case a Member is desirous of obtaining the Notice or Annual Report in printed form, the Member may write to the Corporation or send an e-mail to [investorcare@hdfc.com](mailto:investorcare@hdfc.com).

xii. All documents referred to in this Notice and Explanatory Statement

setting out material facts and other statutory registers are open for inspection by the Members at the Registered Office of the Corporation between 10:00 a.m. and 12 noon on all working days except Saturdays, Sundays and National Holidays from the date hereof up to the date of the AGM.

xiii. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the AGM.

xiv. 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. Wednesday, July 19, 2017.

**xv. 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 and the Secretarial Standard on General Meetings, the Corporation is providing remote e-voting facility to all its Members to enable them to cast their vote on the matters listed in the Notice by electronic means (e-voting). The Corporation has engaged the services of the NSDL to provide the e-voting facility.

**Steps for remote e-voting:**

- a) Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
- b) Click on **Shareholders – Login**.
- c) If you are already registered with NSDL for e-voting, then use your existing User ID and Password for Login.
- d) 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.

- 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
106159	Refer – Attendance Slip	

e) 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” (E-Voting Event Number) 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, click on “Submit” and Confirm when prompted.

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

k) In case shares are held by companies, trusts, societies, etc., they 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 through e-mail to [scrutinizer@hdfc.com](mailto:scrutinizer@hdfc.com) with

a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by quoting the DP ID and Client ID or Folio No.

**xvi. 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.

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.

**xvii. General Instructions**

a) In case of any queries, please refer to the FAQs-Shareholders and e-Voting User Manual-Shareholder available in the Downloads section of <https://www.evoting.nsdl.com>. You can also mail your queries to NSDL by sending an e-mail to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Sarika Mahajan, Deputy Manager-Secretarial of the Corporation at 022-6631 6000.

b) You can also update your contact number and e-mail address in the user profile details, which may be used for sending future communication(s).

c) The e-voting period shall commence at 10:00 a.m. on Saturday, July 22, 2017 and end at 5:00 p.m. on Tuesday, July 25, 2017. During this period, Members of the Corporation, holding shares either in physical or electronic form, as on the cut-off date i.e. Wednesday, July 19, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again. Further, the Members who have cast their vote electronically may participate at the AGM but shall not be entitled to vote again.



d) If you forget your Password, you can reset your Password by using 'Forget User Details/Password' option available on <https://www.evoting.nsdl.com>.

e) 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. Wednesday, July 19, 2017, may obtain login ID and Password by sending a request to [evoting@nsdl.co.in](mailto: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.

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

g) Mr. N. L. Bhatia, Company Secretary (Membership No. FCS 1176), Partner, Messrs N L Bhatia & Associates, practising company secretaries (C.P. No. 422) has been appointed by the Corporation to act as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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 in his absence any other director shall declare the result of the voting forthwith.

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

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 statement 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.

**MEMBERS AND PROXIES THEREOF ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID/FOLIO NUMBER FOR IDENTIFICATION.**

**Annexure to the Notice**

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts**

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 9 of this Notice.

Explanation to business mentioned under Item No. 5 has been provided on a voluntary basis.

**Item No. 5**

Messrs Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018 issued by The Institute of Chartered Accountants of India) have been the auditors of the Corporation.

In terms of the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, an audit firm can be appointed as auditors of a company for not more than two terms of five consecutive years each. For the purpose of calculating

the period of ten years, the period for which the audit firm had held office as auditors, prior to April 1, 2014, was required to be taken into account. The Companies Act, 2013 also provides a transition period of three years, within which the concerned companies are required to mandatorily rotate its auditors.

Accordingly, Messrs Deloitte Haskins & Sells LLP will complete their term of three years at the conclusion of this Annual General Meeting ("AGM") and are not eligible for re-appointment.

Pursuant to the recommendation of the Audit Committee of Directors, the Board of Directors of the Corporation proposes to appoint 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 Auditors of the Corporation for one term of five consecutive years and to hold office as such from the conclusion of this AGM until the conclusion of the 45<sup>th</sup> AGM of the Corporation. The said appointment will be subject to ratification by the Members of the Corporation at every AGM.

Messrs B S R & Co. LLP have consented to the said appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. They have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the Companies Act, 2013 and do not have any pecuniary interest in the Corporation or its subsidiary and associate companies.

The Board, accordingly, recommends the appointment of Messrs B S R & Co. LLP, Chartered Accountants as the Auditors of the Corporation as set

out at Item No. 5 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 resolution.

#### Item No. 6

The Members of the Corporation at the 39<sup>th</sup> Annual General Meeting (“AGM”) held on July 27, 2016, approved the issuance of Redeemable Non-Convertible Debentures (“NCDs”), secured or unsecured and/or any other hybrid instruments which can be classified as being Tier II capital of an amount not exceeding ₹ 85,000 crore within a period of one year from the date of the said AGM. Pursuant to the said authority, the Corporation raised ₹ 36,166 crore by issuance of secured NCDs.

As on March 31, 2017, the outstanding secured NCDs issued by the Corporation was ₹ 1,05,407.70 crore and unsecured NCDs was ₹ 5,500 crore.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities including NCDs under the Companies Act, 2013 only after receipt of prior approval of its shareholders by way of a special resolution. The Companies (Prospectus and Allotment of Securities) Rules, 2014, further provides that the said special resolution must be passed in respect of all offers/invitations for the NCDs to be issued during a year and such a special resolution is required to be passed every year.

The NCDs proposed to be issued by the Corporation will be issued for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions.

Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 6 of this Notice authorising the Board to issue NCDs and/or any other hybrid instruments (not in the nature of equity shares) which can be classified as being Tier II capital under the provisions of the Housing Finance Companies (NHB) Directions, 2010, up to an aggregate amount not exceeding ₹ 85,000 crore on a private placement basis during a period of one year from the date of this AGM.

The Board, accordingly, recommends passing of the special resolution as set out at Item No. 6 of this Notice, for the approval of the Members.

Save and except for the shares of the Corporation held by them, 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 resolution.

#### Item No. 7

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

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 statement.

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 appraisal) approves and disburses the loans. 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 this arrangement.

The above arrangement has been approved by the Board of Directors of the Corporation (hereinafter referred to as “Board”) 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. Your 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 4,715 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 appraisal 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 shareholders and customers of both the organisations. As per the agreements, 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 statement. In the financial year 2016-17, 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 39<sup>th</sup> AGM held on July 27, 2016. The transactions have been continued so far in the financial year 2017-18.

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 2017-18. The Audit Committee of Directors has already granted approval for assignment/sale of home loans to HDFC Bank up to an overall limit of ₹ 20,000 crore for the financial year 2017-18. The Audit Committee of Directors has also granted approval for other types of transactions with HDFC Bank under the omnibus route for the financial year 2017-18.

The Corporation's transactions in the financial year 2017-18 with HDFC Bank are expected to exceed the prescribed threshold limits under the Listing Regulations so as to qualify as material related party transactions. Accordingly, the Corporation proposes to obtain approval of its Members for ratifying as also for giving further approval to the Board of Directors (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), for carrying out and/

or continuing with arrangements and transactions with HDFC Bank, being a related party within the purview 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 the Corporation against the consideration of the commission agreed upon, from time to time, assignment/securitisation of such percentage of home loans to HDFC Bank sourced by it as may be agreed, from time to time, mutually between the Corporation and HDFC Bank, arrangement of servicing of the home loans assigned/secured by the Corporation against the consideration 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 the financial statement for the relevant period, notwithstanding the fact that all these transactions within the financial year 2017-18 in aggregate may exceed 10% of the annual consolidated turnover of the Corporation as per its last audited financial statement 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, accordingly, recommends passing of the resolution as set out at Item No. 7 of this Notice, for the approval of the Members.

Mr. Keki M. Mistry and Ms. Renu Sud Karnad are Directors of HDFC Bank. Mr. D. M. Sukthankar is also interested in the said resolution as he is related to Mr. Paresh Sukthankar, who is the Deputy Managing 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, are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Members may please note that in terms of the provisions of the Listing Regulations, the related parties as defined thereunder will abstain from voting on the resolution under Item No. 7.

#### **Item No. 8**

Considering the increase in business activities of the Corporation as also the amount of remuneration being paid to managerial personnel occupying similar positions in the financial services industry and with the objective of ensuring that Managing Directors and whole-time directors are remunerated adequately, the Nomination and Remuneration Committee of Directors at its meeting held on March 3, 2017, recommended the revision in the range of salary payable to the Managing Directors of the Corporation from the existing range of ₹ 10,00,000 to ₹ 20,00,000 per month to ₹ 15,00,000 to ₹ 27,00,000 per month and that of the Executive Directors of the Corporation from the existing range of ₹ 5,00,000 to ₹ 15,00,000 per month to ₹ 5,00,000 to ₹ 20,00,000 per month, with effect from January 1, 2017.

As part of the annual revision, the Nomination and Remuneration Committee of Directors had, at the said meeting, revised the salary of Mr. Keki M. Mistry - Managing Director (designated as "Vice Chairman & Chief Executive Officer") to ₹ 22,00,000 per month and that of Ms. Renu Sud Karnad - Managing Director to ₹ 20,05,000 per month, with effect from January 1, 2017. Currently each of Mr. Keki M. Mistry and Ms. Renu Sud Karnad are being

paid a salary of ₹ 20,00,000 per month and upon receipt of approval of the Members at this meeting for revision in the range of salary as aforesaid, they would be paid the difference, with effect from January 1, 2017. The proposed revision in the salary range is well within the limits specified under the Companies Act, 2013.

At the said meeting, the Nomination and Remuneration Committee also revised the salary payable to Mr. V. Srinivasa Rangan, whole-time director (designated as “Executive Director”) of the Corporation to ₹ 13,40,000 per month with effect from January 1, 2017, which is within the existing range.

The Board, accordingly, recommends passing of the resolution as set out at Item No. 8 of this Notice, for the approval of the Members. The proposed revision in salary range is an enabling limit and in no way suggests that the salary of the managing directors or whole-time director will be revised immediately. To clarify, the salaries of the managing directors and whole-time directors are decided by the Board/Nomination and Remuneration Committee, in accordance with the Remuneration Policy of the Corporation.

Other than Mr. Keki M. Mistry, Ms. Renu Sud Karnad and Mr. V. Srinivasa Rangan and their relatives, 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 resolution.

#### Item No. 9

The existing Articles of Association of the Corporation is based on the Companies Act, 1956.

The Companies Act, 2013 was notified to come into effect from April 1, 2014. However, to provide an easy and smooth transition from the Companies Act, 1956 to the Companies Act, 2013, its sections were notified in tranches. Currently, most of the sections of the Companies Act, 2013 replacing the provisions of Companies Act, 1956 and the relevant rules have been notified.

In view of the aforesaid and in order to bring the existing Articles of Association of the Corporation in line with the provisions of the Companies Act, 2013, the Corporation will be required to make changes in most of the existing Articles. It is therefore considered desirable to adopt a comprehensive new set of Articles of Association of the Corporation in substitution of and to the entire exclusion of the existing Articles of Association. The new Articles of Association is largely based on Table ‘F’ of the Companies Act, 2013, which sets out the model Articles of Association for a company limited by shares. For clarity, given below are the salient features of the new Articles of Association of the Corporation:

- It is proposed to be adopted solely with a view to bring it in line with the provisions of the Companies Act, 2013;
- Certain new definitions have been incorporated;
- Certain provisions flowing from Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been incorporated;
- New provisions relating to e-voting by the Members, passing of resolutions through postal ballot, appointment of independent directors and key managerial personnel have been introduced;

- Some of the procedures mentioned in the existing Articles of Association have not been included in the new Articles of Association as the same forms part of the relevant sections of the Companies Act, 2013, in order to make the new Articles of Association crisp, concise and clear. It also aids ease of reading and understanding.

The proposed new Articles of Association of the Corporation is placed on the Corporation’s website viz. [www.hdfc.com](http://www.hdfc.com) and also kept available for inspection at the registered office of the Corporation between 10:00 a.m. and 12 noon on all working days except Saturdays, Sundays and National Holidays from the date hereof up to the date of the meeting.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, approval of the Members by special resolution is required for the adoption of the new Articles of Association so as to replace the existing Articles of Association and accordingly, the approval of the Members of the Corporation is being sought for the adoption of the new Articles of Association.

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

Save and except for the shares of the Corporation held by them, 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 resolution.

By Order of the Board

MUMBAI  
May 4, 2017

Ajay Agarwal  
Company Secretary  
FCS:9023



**BRIEF PROFILE OF DIRECTORS BEING RE-APPOINTED**

**1. Ms. Renu Sud Karnad (DIN: 00008064)**

Age	64
Qualification	<ul style="list-style-type: none"> <li>• Master of economics from the University of Delhi.</li> <li>• Graduate in law from the University of Mumbai.</li> <li>• Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, USA.</li> </ul>
Experience	Ms. Renu Sud Karnad has been employed with the Corporation since 1978. She was appointed as the Executive Director of the Corporation in 2000 and was re-designated as the Joint Managing Director of the Corporation in October 2007. She has been the Managing Director of the Corporation with effect from January 1, 2010.
No. of shares held	Please refer Form No. MGT – 9, forming part of the Annual Report 2016-17.
Terms and conditions of appointment/ re-appointment	<p>Ms. Renu Sud Karnad has been appointed as the Managing Director of the Corporation for a period of 5 years with effect from January 1, 2015, however her office is liable to retire by rotation.</p> <p>The terms and conditions of her re-appointment is same as was approved by the Members at the 37<sup>th</sup> Annual General Meeting held on July 21, 2014.</p>
Remuneration last drawn	Please refer Form No. MGT – 9, forming part of the Annual Report 2016-17.
Remuneration sought to be paid	Please refer explanatory statement pertaining to Item No. 8.
No. of Board meetings attended during the year	6 (all board meetings held during the financial year 2016-17).
Original date of appointment	May 3, 2000
Relationship with other Directors, Manager and Key Managerial Personnel	Nil
Directorships held in other companies in India	<ol style="list-style-type: none"> <li>1. ABB India Limited</li> <li>2. BOSCH Limited</li> <li>3. EIH Limited</li> <li>4. Feedback Infra Private Limited</li> <li>5. GRUH Finance Limited</li> <li>6. HDFC Asset Management Company Limited</li> <li>7. HDFC Bank Limited</li> <li>8. HDFC ERGO General Insurance Company Limited</li> <li>9. HDFC Standard Life Insurance Company Limited</li> <li>10. H T Parekh Foundation</li> <li>11. Indraprastha Medical Corporation Limited</li> </ol>

Membership/Chairmanship of committees in other companies in India	<u>Audit Committee - Chairperson</u>
	1. BOSCH Limited
	<u>Audit Committee - Member</u>
	2. ABB India Limited
	3. HDFC Standard Life Insurance Company Limited
	4. H T Parekh Foundation
	<u>Stakeholders Relationship Committee - Member</u>
5. ABB India Limited	
6. BOSCH Limited	
7. HDFC Bank Limited	

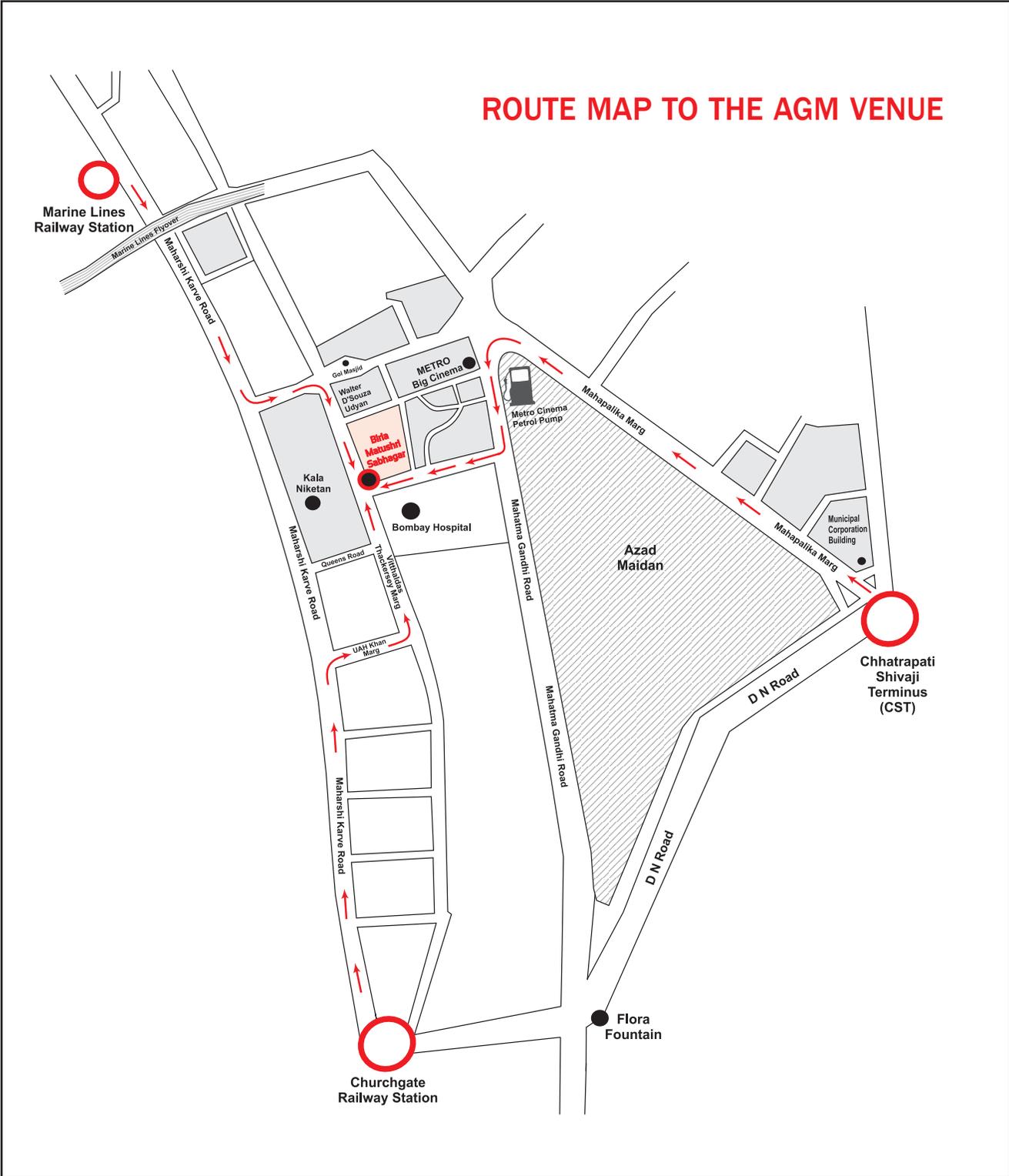
**2. Mr. V. Srinivasa Rangan (DIN: 00030248)**

Age	57
Qualification	<ul style="list-style-type: none"> <li>• Graduate in Commerce.</li> <li>• Associate of The Institute of Chartered Accountants of India.</li> <li>• Associate of The Institute of Cost Accountants of India.</li> </ul>
Experience	Mr. V. Srinivasa Rangan joined the Corporation in 1986 and has served in Delhi Region and was the Senior General Manager – Corporate Planning & Finance function at head office since 2000. He has been the Executive Director of the Corporation, with effect from January 1, 2010.
No. of shares held	Please refer Form No. MGT – 9, forming part of the Annual Report 2016-17.
Terms and conditions of appointment/re-appointment	<p>Mr. V. Srinivasa Rangan has been appointed as a Whole-time Director (designated as Executive Director) of the Corporation for a period of 5 years with effect from January 1, 2015, however his office is liable to retire by rotation.</p> <p>The terms and conditions of his re-appointment is same as was approved by the Members at the 37<sup>th</sup> Annual General Meeting held on July 21, 2014.</p>
Remuneration last drawn	Please refer Form No. MGT – 9, forming part of the Annual Report 2016-17.
Remuneration sought to be paid	Please refer explanatory statement pertaining to Item No. 8.
No. of Board meetings attended during the year	6 (all board meetings held during the financial year 2016-17).
Original date of appointment	January 1, 2010
Relationship with other Directors, Manager and Key Managerial Personnel	Nil



<p>Directorships held in other companies in India</p>	<ol style="list-style-type: none"> <li>1. Atul Limited</li> <li>2. Cholamandalam Investment and Finance Company Limited</li> <li>3. Computer Age Management Services Private Limited</li> <li>4. HDFC Credila Financial Services Private Limited</li> <li>5. HDFC Developers Limited</li> <li>6. HDFC Education and Development Services Private Limited</li> <li>7. HDFC Investments Limited</li> <li>8. HDFC Property Ventures Limited</li> <li>9. HDFC Trustee Company Limited</li> <li>10. H T Parekh Foundation</li> <li>11. True North Corporate Private Limited</li> <li>12. TVS Credit Services Limited</li> </ol>
<p>Membership/Chairmanship of committees in other companies in India</p>	<p><u>Audit Committee - Member</u></p> <ol style="list-style-type: none"> <li>1. Atul Limited</li> <li>2. Cholamandalam Investment and Finance Company Limited</li> <li>3. HDFC Education and Development Services Private Limited</li> <li>4. HDFC Investments Limited</li> <li>5. HDFC Property Ventures Limited</li> <li>6. HDFC Trustee Company Limited</li> <li>7. H T Parekh Foundation</li> <li>8. TVS Credit Services Limited</li> </ol>

# ROUTE MAP TO THE AGM VENUE





## 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](http://www.hdfc.com), E-mail: [investorcare@hdfc.com](mailto:investorcare@hdfc.com)

### ATTENDANCE SLIP

(Please hand over this slip at the entrance of the Meeting hall)

Name and Address of the Member	
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Folio No./Client ID	
DP ID	

I/We hereby record my/our presence at the 40<sup>th</sup> Annual General Meeting of the Members of the Corporation held at "Birla Matushri Sabhagar", 19, New Marine Lines, Mumbai 400 020, on Wednesday, July 26, 2017 at 2:30 p.m.

Full name of the Member/Proxy attending the Meeting	
Member's/Proxy's Signature	

Note: Your entry to the Meeting will be regulated by this attendance slip.

### ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN
<b>106159</b>		

Note: Please read the instructions given in the Notes to the Notice dated May 4, 2017 convening the 40<sup>th</sup> Annual General Meeting of the Members of the Corporation carefully before exercising your vote electronically.



## 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

### FORM NO. MGT – 11

### PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :		E-mail ID :	
Registered Address :		Folio No./Client ID :	
		DP ID :	

I/We being the Member(s) holding \_\_\_\_\_ equity shares of ₹ 2 each of Housing Development Finance Corporation Limited, hereby appoint:

- Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him
- Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him
- Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> Annual General Meeting of the Corporation, to be held on Wednesday, July 26, 2017 at 2:30 p.m. at "Birla Matushri Sabhagar", 19, New Marine Lines, Mumbai 400 020 and at any adjournment(s) thereof, in respect of such resolutions in the manner as indicated below:

Resolution No.	Brief details of the Resolution	Optional (Refer Note No. 4)		
		For	Against	Abstain
1(a)	Adoption of the audited financial statement of the Corporation for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon.			
1(b)	Adoption of the audited consolidated financial statements for the financial year ended March 31, 2017 together with the report of the Auditors thereon.			
2	Declaration of final dividend on equity shares of the Corporation.			
3	Appointment of Ms. Renu Sud Karnad, who retires by rotation and, being eligible, offers herself for re-appointment.			
4	Appointment of Mr. V. Srinivasa Rangan, who retires by rotation and, being eligible, offers himself for re-appointment.			
5	Appointment of Messrs B S R & Co. LLP, Chartered Accountants as the Auditors of the Corporation for a period of 5 (five) consecutive years and fixing their remuneration.			
6	Approval to issue Redeemable Non-Convertible Debentures and/or other hybrid instruments on a private placement basis, up to an amount not exceeding ₹ 85,000 crore.			

Resolution No.	Brief details of the Resolution	Optional (Refer Note No. 4)		
		For	Against	Abstain
7	Approval of related party transactions with HDFC Bank Limited.			
8	Approval for revision in the salary range of the Managing Directors and Whole-time Director of the Corporation.			
9	Adoption of new Articles of Association of the Corporation in conformity with the Companies Act, 2013.			

Signed: this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of Member(s): \_\_\_\_\_

Signature of the Proxy holder(s): \_\_\_\_\_



**Notes:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Corporation, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Corporation.
3. A person appointed as Proxy shall act on behalf of not more than 50 (fifty) Members and holding not more than 10% of the total share capital of the Corporation carrying voting rights. However, 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 person or Member.
4. Optional. Please put a '√' in the appropriate column against the resolutions indicated in the box.