

FEDBANK FINANCIAL SERVICES LIMITED

CIN: U65910KL1995PLC008910

REGISTERED OFFICE: Federal Towers, Alwaye, Ernakulam, Kerala - 683 101, India, Tel: 0484-2634411

CORPORATE OFFICE: Corporate Avenue, E/2 Wing, Unit no.105, Guru Hargovindaji Marg, Opp. Solitaire Corporate Park, Andheri (East), Mumbai – 400 093.

PHONE: 022-61480500 **FAX:** 022-61480545 **Email:** customercare@fedfina.com **WEBSITE:** www.fedfina.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty First Annual General Meeting (AGM) of the members of Fedbank Financial Services Limited will be held on Thursday, 11 August 2016 at 09:00 a.m. at the registered office of the Company at Federal Towers, Alwaye, Ernakulam, Kerala-683101 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31st March, 2016, the Balance Sheet as at that date, the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and the Auditors Reports thereon.

2. Appointment of Director liable to retire by rotation

To appoint a Director in place of Mr. Shyam Srinivasan (DIN: 02274773), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.

3. Appointment of Statutory Auditors

To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, the retiring auditors, M/s Varma and Varma, Chartered Accountants (having Firm registration No. 004532S), be and are hereby appointed as the statutory auditors of the Company for the period of Five years, to hold office from the conclusion of this Meeting until the conclusion of the 26th Annual General Meeting of the Company, subject to the ratification of such appointment by the members at every Annual General Meeting to be held during their term, on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, plus service tax and such taxes, as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company during the aforesaid period”

SPECIAL BUSINESS:

4. **APPOINTMENT OF MR. SHARDUL KADAM AS A MANAGER** - To consider and, if thought fit, to pass the following resolution, with or without modifications, as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule V to the Act including the rules framed thereunder, the consent of company be and is hereby granted to ratify the appointment of Mr. Shardul Kadam as the Manager of the Company with effect from 28th October, 2015 for a period of five years upon the terms and conditions of the appointment including remuneration as set out in explanatory statement annexed hereto, With the authority to the Board/Chairman to alter, vary and modify the said terms of appointments and /or remuneration in such manner as agreed within the limits prescribed under the Schedule V of Companies Act, 2013, including any amendment or statutory modification thereto for the time being in force:

- (i) Consolidated pay of Rs. 3,90,561 per month inclusive of all statutory payments and perquisites subject to Income Tax deduction at source. (Basic Salary is Rs.1,56,224 per month)
- (ii) PF Employer Contribution (Matching with Employee Contribution) up to 12% (Not exceeding Rs. 18,747 per month)
- (iii) Provision of Car with petrol (eligibility of 250 liters per month) and Driver (Salary up to Rs. 14000 per month or any other limit as fixed by the company)
- (iii) Leave Rules will be as per Company Policy.
- (iv) Medical coverage will be as per Company Policy.
- (v) Provision of Car with petrol (eligibility of 250 liters per month) and Driver (Salary up to Rs. 14000 per month or any other limit as fixed by the company)
- (vi) For all other items, company policy will be referred.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of his tenure as Manager, remuneration mentioned in explanatory statement annexed hereto will be paid as minimum remuneration subject to compliance with the applicable provisions of Section 197 of the Act read with Schedule V to the Act, if and to the extent necessary, with the approval of the Central Government.

RESOLVED FURTHER THAT Company Secretary of the Company be and is hereby authorized to do all acts and take such steps as may be necessary, proper or expedient to give effect to the foregoing resolution, including filing of various forms/returns with Registrar of Companies/other authorities for obtaining necessary approvals, if required.”

5. **AUTHORITY TO ISSUE SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES THROUGH PRIVATE PLACEMENT**- To consider and, if thought fit, to pass the following resolution, with or without modifications, as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and 180(1)(c) of the Companies Act, 2013 read with relevant rules thereunder and such other applicable provisions and rules, if any, of the Companies Act, 2013 (including any amendment(s), statutory modification(s) or re-enactment thereof) and read with relevant circulars/notifications

issued by the Ministry of Corporate Affairs from time to time, and the relevant provisions of the Memorandum and Articles of Association of the Company, and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ('Debt Regulations') as amended from time to time, and the circulars and clarifications issued by Reserve Bank of India as applicable to the Non-Banking Financial Companies ('NBFC') from time to time, and such other laws and regulations, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee constituted by the Board or any person(s) authorised by the Board in this regard), to make offer(s), invitation(s) to subscribe and issue Redeemable Non-Convertible Debentures (NCDs) on private placement basis in one or more tranches for a sum not exceeding Rs.200 crores (Rupees Two Hundred Crores Only) within the overall borrowing limits of the Company, as may be approved by the Members to the qualified institutional buyers, Foreign Institutional Investors, banks, Financial Institutions, mutual funds, provident and gratuity funds, corporates and such other entities/ persons eligible to subscribe the securities on such terms and conditions including the rate of interest, tenure and security cover thereof etc.

RESOLVED FURTHER THAT the approval of the Company be and is hereby given to all offers or invitations to subscribe to the non-convertible debentures during the period from the conclusion of the 21st annual general meeting till the conclusion of the 22nd annual general meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby severally authorized to negotiate, modify and finalize the terms and conditions of the NCDs and sign the relevant documents/agreements in connection with the private placement of the NCDs, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of NCDs by the company and to further delegate the above powers to any Committee of Directors or any personnel of the company to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

**By order of the Board of Directors
For Fedbank Financial Services Limited**

**Place: Mumbai
Date: April 27, 2016**

**Sd/-
Ankit Kawa
Company Secretary
ACS No.: A44317**

Note:

- (i) **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING IS ANNEXED HERETO.THE RELEVANT DETAILS AS REQUIRED UNDER SECRETARIAL STANDARD-2 ISSUED BY ICSI, OF THE PERSON SEEKING RE-APPOINTMENT AS DIRECTOR UNDER ITEM NO. 2 OF THE NOTICE, ARE ALSO ANNEXED.**
- (ii) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- (iii) THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED AND LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
- (iv) MEMBERS/PROXIES/REPRESENTATIVES SHOULD BRING THE ENCLOSED DULY FILLED ATTENDANCE SLIP, FOR ATTENDING THE MEETING.
- (v) MEMBERS MAY ALSO NOTE THAT THE NOTICE OF THE 21ST ANNUAL GENERAL MEETING AND THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016 WILL BE AVAILABLE ON THE COMPANY'S WEBSITE VIZ. WWW.FEDFINA.COM. PHYSICAL COPIES OF THE AFORESAID DOCUMENTS WILL BE AVAILABLE AT THE REGISTERED OFFICE FOR INSPECTION DURING BUSINESS HOURS ON WORKING DAYS.
- (vi) CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVE(S) ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION PURSUANT TO THE SECTION 113 OF THE COMPANIES ACT, 2013 AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE ON THEIR BEHALF AT THE ANNUAL GENERAL MEETING.
- (vii) ROUTE-MAP TO THE VENUE OF THE MEETING IS PROVIDED AT THE END OF THE NOTICE.
- (viii) ALL THE MATERIAL DOCUMENTS, RESOLUTIONS, MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY ETC. ARE OPEN FOR INSPECTION TO THE MEMBERS DURING THE OFFICE HOUR OF ALL WORKING DAY TILL THE CONCLUSION OF THE ANNUAL GENERAL MEETING AT THE REGISTERED OFFICE OF THE COMPANY.

ANNEXURE TO THE NOTICE

I. EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Pursuant to section 203 of the Companies Act, 2013, every listed company and every other company having a paid-up share capital of Rs. 10 Crore or more shall be required to appoint either a Managing Director or Chief Executive Officer or a Manager and in their absence, a Whole-Time Director. A Manager in terms of the provisions of the Companies Act, 2013 is an individual who has management of whole or substantially the whole of the affairs of the Company and should act subject to superintendence, control and directions of the Board of Directors.

The term of Mr. Ashok Das, Manager was valid till 30th April, 2015. On recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors in their meetings held on 27th October, 2015 has approved the appointment of Mr. Shardul Kadam in place of Mr. Ashok Das, as the Manager, for a period of Five years pursuant to the provisions of the Companies Act, 2013 starting from 28th October, 2015 till 27th October, 2020; subject to the approval of shareholders and approval of the Central Government, if required. The terms of appointment including remuneration proposed to be paid to Mr. Shardul Kadam will be available for inspection by any Member of the company without payment of fee at the Company's registered office in Kerala during normal business hours.

Mr. Shardul Kadam, 39 years of Age, is a Chartered Accountant and has completed his graduation from Narsee Monjee College of Commerce and Economics - Mumbai. He carries more than 15 years of experience in consumer finance and has held leadership positions in Credit, Risk, Litigation and Strategy with leading financial institutions. He joined Fedbank Financial Services Ltd. in April 2011 to head its Credit, Risk and Policy department and has been a part of its core management team.

Mr. Shardul Kadam neither hold any shares in the Company nor the Directorship in any other Company.

Mr. Shardul Kadam is not a relative of any Director and Key Managerial Personnel of the company.

Detailed terms and conditions for appointment of Mr. Shardul Kadam as Manager:

- a) Designation: Manager
- b) Remuneration:
- (i) Consolidated pay of Rs. 3,90,561 per month inclusive of all statutory payments and perquisites subject to Income Tax deduction at source. (Basic Salary is Rs.1,56,224 per month)
 - (ii) PF Employer Contribution (Matching with Employee Contribution) up to 12% (Not exceeding Rs. 18,747 per month)
 - (iii) Leave Rules will be as per Company Policy.
 - (iv) Medical coverage will be as per Company Policy.

(v) Provision of Car with petrol (eligibility of 250 liters per month) and Driver (Salary up to Rs. 14000 per month or any other limit as fixed by the company)

(vi) For all other items, company policy will be referred.

- d) Tenor of Employment: Five Years with effect from 28th October 2015.
- e) Duties & Responsibilities: As the Manager of Fedbank Financial Services Limited, he will be responsible for evolving strategies, achieving business targets and such other responsibilities as the Board may fix from time to time.
- f) Reporting arrangements: He will be reporting to the Chairman/Board of Directors of Fedbank Financial Services Limited

Your Directors recommend the resolution for approval of members as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company nor their relatives are in any way concerned or interested, financially or otherwise in the proposed Resolution except Mr. Shardul Kadam.

Item No. 5

Pursuant to Section 42 and any other applicable provisions of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the company by a Special Resolution for each of the offers or invitations. In case of offer or invitation for non-convertible debentures, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitation for such debentures during the year.

The NCDs are proposed to be issued at face value as may be permissible as per RBI regulations and acceptable to the subscribers of the security. The securities are not proposed to be issued at premium.

Reserve Bank of India vide its Notification No. DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 has issued following revised Guidelines on Private Placement of NCDs (maturity more than 1 year) by NBFCs:

- (i) The minimum subscription per investor shall be Rs. 20,000 (Rupees Twenty thousand);
- (ii) The issuance of private placement of NCDs shall be in two separate categories, those with a maximum subscription of less than Rs. 1 crore and those with a minimum subscription of Rs. 1 crore and above per investor;
- (iii) There shall be a limit of 200 subscribers for every financial year, for issuance of NCDs with a maximum subscription of less than Rs. 1 crore, and such subscription shall be fully secured;
- (iv) There shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of Rs. 1 crore and above; the option to create security in favour of subscribers will be with the issuers. Such unsecured debentures shall not be treated as public deposits as defined in NBFCs Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

The terms and conditions of the issue of debentures including face value, coupon rate, Repayment, security, listing, etc. will be decided by the Board/by its duly authorized Committee as may be mutually agreed to both the Company/duly authorized Committee and subscribers of the NCDs.

Your Directors recommend the resolution for approval of members as Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the proposed Resolution.

**By order of the Board of Directors
For Fedbank Financial Services Limited**

**Place: Mumbai
Date: April 27, 2016**

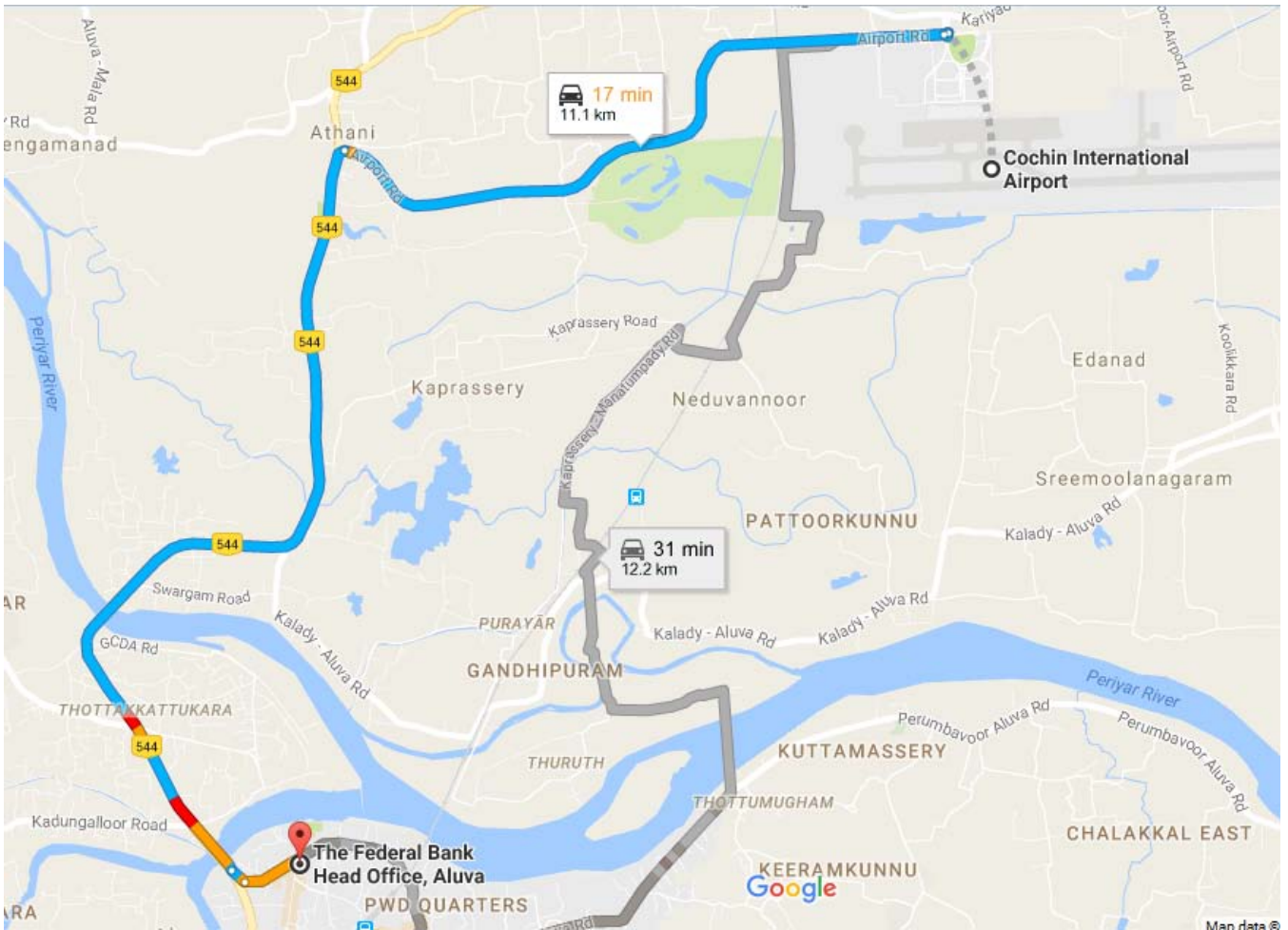
**Sd/-
Ankit Kawa
Company Secretary
ACS No.: A44317**

II.DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:

Name	Mr. Shyam Srinivasan (DIN: 02274773)
Age	54 years
Qualifications	B. E. & PGDM (IIM Kolkata)
Experience	Mr. Shyam Srinivasan has more than 20 years of experience with leading multinational banks in India, Middle East and South East Asia, where He gained significant expertise in retail lending, wealth management and SME banking.
date of first appointment on the Board	March 18, 2011
Shareholding in the Company	Mr. Shyam Srinivasan holds 200 Equity Shares of Rs.10 each in the Company
Relationship with other Directors, Manger and other KMPs of the company	Mr. Shyam Srinivasan is not related to any other Director, Manager and other KMPs of the company.
the number of Meetings of the Board attended during the year	Mr. Shyam Srinivasan attended all the seven Board meetings of the company held during the FY 2015-16.
Directorships held in other companies	<ul style="list-style-type: none"> • The Federal Bank Limited • IDBI Federal Life Insurance Company Limited • Indian Institute of Banking and Finance
Membership/ Chairmanship of Committees of other companies	<ul style="list-style-type: none"> • The Federal Bank Limited <p><u>Chairman:</u> Committee to Review Large Value Fraud</p> <p><u>Member:</u> Credit and Investment raising Capital Committee; Risk Management Committee; Investor Grievance & Share Transfer Committee; Customer Service & Marketing Strategy Committee; Information Technology & Operations Committee; Committee for Human Resource Policy; Corporate Social Responsibility Committee; Performance Review Committee.</p> <ul style="list-style-type: none"> • IDBI Federal Life Insurance Company Limited <p><u>Chairman:</u> Policy Holder Protection Committee</p> <p><u>Member:</u> Audit Committee</p>

Route Map to the AGM Venue:

Venue: Federal Towers, Alwaye, Ernakulam, Kerala-683101



Landmark: Near the Bridge Road, Periyar Nagar

Distance from Cochin International Airport: 11.1 km

FEDBANK FINANCIAL SERVICES LIMITED

CIN: U65910KL1995PLC008910

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PROXY FORM (Form No. MGT-11)

[Pursuant to 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): _____

Registered address: _____

E-mail Id: _____

Folio No.: _____

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____ 2. Name: _____ 3. Name: _____

Address: _____ Address: _____ Address: _____

E-mail Id: _____ E-mail Id: _____ E-mail Id: _____

Signature: _____ Signature: _____ Signature: _____

or failing him/her,

or failing him/her,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on the Thursday, 11th August, 2016 at 9:00 a.m. at Federal Towers, Alwaye, Ernakulam, Kerala - 683 101 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of audited financial statement for the year ended March 31, 2016		
2.	Re-appointment of Retiring Director, Shri. Shyam Srinivasan (DIN: 02274773)		
3.	Appointment of M/s Varma and Varma, Chartered Accountants, Mumbai as Statutory Auditors and fixation of remuneration thereof		
Special Business(Special Resolution)			
4.	Appointment of Mr. Shardul Kadam as the Manager of the Company		
5.	Authority to Issue Secured Redeemable Non-Convertible Debentures through Private Placement		

Signed this day of 2016.

Affix Re 1/-
Revenue
Stamp
Here

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting.

* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



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ATTENDANCE SLIP

(21st Annual General Meeting – 11th August 2016)

I certify that I am a member / proxy for the member of the company.

I hereby record my presence at the 21th Annual General Meeting of the company, at Federal Towers, Alwaye, Ernakulam, Kerala - 683 101 on Thursday, 11th August 2016 at 9:00 a.m.

Name of the Member / Proxy (In Block Letters)

Signature of the Member / Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report at the AGM.
