

FEDBANK FINANCIAL SERVICES LIMITED

CIN: U65910KL1995PLC008910

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

CORPORATE OFFICE: Kanakia Wall Street, A-Wing, 5th Floor, Unit No.501/502/511/512, Andheri – Kurla Road, Chakala, Andheri East, Mumbai, Maharashtra – 400093

PHONE: 022-68520665 **Email:**customercare@fedfina.com **WEBSITE:** www.fedfina.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty Fourth Annual General Meeting (AGM) of the members of Fedbank Financial Services Limited will be held at shorter notice i.e. on Tuesday, 16th July, 2019, at 9:00 a.m. at A-Wing, Laxmi Tower, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019, including the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year ended on that date and the Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors 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 and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS:

3. APPOINTMENT OF MR. ANIL KOTHURI AS MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE COMPANY:

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, the approval of the Members of the Company be and is hereby accorded for the appointment and payment of remuneration to Mr. Anil Kothuri (DIN: 00177945), as Managing Director & CEO of the Company for a period with effect from 11th December, 2018 upto 10th December, 2023 on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting and specifically approved with powers to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been

delegated) to alter, amend, vary and modify the terms and conditions of the said appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof.

RESOLVED FURTHER THAT notwithstanding to the above, in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Anil Kothuri as Managing Director & CEO of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Schedule V read with Sections 196 and 197 to the Companies Act, 2013 and subject to the approval of the Central Government / Members at the General Meeting, if required, as amended from time to time subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided in the Agreement when the profits of the Company are adequate.

RESOLVED FURTHER THAT the Office of Managing Director shall be liable to retire by rotation pursuant to Section 152(6) of Companies Act, 2013 and Rules made thereunder and any subsequent amendment(s) and/or modification(s) in the Act, Rules and/or applicable laws in this regard

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution.”

4. AUTHORITY TO ISSUE SECURED/UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES THROUGH PRIVATE PLACEMENT:-

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

“RESOLVED THAT in supersession of the earlier special resolution passed by the Members of the Company in the Twenty second Annual General Meeting held on July 14, 2017 and 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 Secured/Unsecured Redeemable Non-Convertible Debentures (NCDs) on private placement basis in one or more tranches for a sum not exceeding INR 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 24th Annual General meeting till the conclusion of the 25th 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.”

5. INCREASE IN THE BORROWING LIMITS OF THE COMPANY FROM INR 3,000 CRORES TO INR 4,000 CRORES:-

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

“RESOLVED THAT in supersession of all the resolutions passed earlier in this regard and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof) and the provisions of the Memorandum of Association and Articles of Association of the Company, Circulars/ Notifications/ Directions issued by the Reserve Bank of India from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (the ‘Board’) to borrow from time to time such sum or sums of money as it may deem requisite for the purpose of the business of the Company, inter alia, by way of loan/financial assistance from various bank(s), financial institution(s) and/or other lender(s), issue of debentures/bonds or other debt instruments, with or without security, whether in India or abroad, on such terms and conditions as the Board at its sole discretion may deem fit, notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed aggregate of the paid-up share capital of the Company, its free reserves and securities premium, provided however, the total amount so borrowed (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed at any point in time (excluding any interest on such borrowings) of a sum equivalent to INR 4,000 Crores (Rupees Four Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and also to negotiate, agree and execute the required documents/papers/agreements for borrowing funds with any banks, financial institutions, companies, firms or any other government or semi-government bodies, whether state or central, whether in India or abroad (hereinafter referred to as “the Lender”) on such terms as may be mutually agreed between the Company and the Lender(s) and to pay any fees, expenses relating thereto and with power to settle all questions, disputes, difficulties or doubts that may arise including providing any or all clarifications that may be required by the Appropriate Authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any other Officer or Officers of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT a copy of the aforesaid resolution certified to be true by anyone of the Director or Key Managerial Personnel of the Company, be furnished to appropriate entities for their records and necessary action thereon.”

6. INCREASE IN LIMITS FOR CREATION OF CHARGE/SECURITY ON THE ASSETS OF THE COMPANY UPTO AN AMOUNT OF INR 4,000 CRORE TO SECURE ITS BORROWING:-

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

“**RESOLVED THAT** in supersession of all the resolutions passed earlier in this regard and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof) and the provisions of the Memorandum of Association and Articles of Association of the Company, consent of the Company be and is hereby accorded to creation by the Board of Directors of the Company (the ‘Board’) from time to time, of such mortgages, charges, liens, hypothecation and/or other securities, in addition to the mortgages, charges, liens, hypothecation and/or other securities created by the Company, on such terms and conditions as the Board at its sole discretion may deem fit, of the Company’s assets and properties, both present and future, whether movable or immovable, including the whole or substantially the whole of the Company’s undertaking or undertakings, in favour of the bank(s), financial institution(s), and/or other lender(s), debenture trustee and/or security trustee as may be agreed to by the Board for the purpose of securing repayment of any loans/financial assistance (whether in Rupees or in foreign currency), debentures or bonds or other instruments issued to the public and/or on private placement basis and/or in any other manner, subject to a maximum amount of INR 4,000 crore (Rupees four thousand crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate and finalise the terms and conditions, agreements, deeds and documents for creating the said mortgages, charges, liens, hypothecation and/or other securities, to delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any other Officer or Officers of the Company and to do and perform all such acts, deeds, matters or things as may be necessary, proper, expedient or desirable to give effect to this resolution.

RESOLVED FURTHER THAT a copy of the aforesaid resolution certified to be true by anyone of the Director or Key Managerial Personnel of the Company, be furnished to appropriate entities for their records and necessary action thereon.”

7. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL AND CONSEQUENT ALTERATION OF MEMORANDUM OF ASSOCIATION

To consider and if thought fit to pass, with or without modification, the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) the existing Authorised Share Capital of the Company of INR 300,00,00,000 (Rupees Three Hundred Crores) divided into 30,00,00,000 (Thirty Crores) Equity Shares of INR 10/- (Rupees Ten Only) each be and is hereby reclassified to INR 300,00,00,000 (Rupees Three Hundred Crores) divided into 29,00,00,000 (Twenty Nine Crores) Equity Shares of INR 10/- (Rupees Ten Only) and 1,00,00,000 (One Crore) 0.01 % Non-cumulative redeemable Preference shares of INR 10/- (Rupees Ten Only) each.

“RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof with the following new Clause V as under:

V. The Authorised Share Capital of the Company is INR 300,00,00,000 (Rupees Three Hundred Crores) comprising of 29,00,00,000 (Twenty Nine Crores) Equity Shares of INR 10/- (Rupees Ten Only) and 1,00,00,000 (One Crore) 0.01 % Non-cumulative redeemable Preference shares of INR 10/- (Rupees Ten Only) each, with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company and the Companies Act, 2013.

8. RE-APPOINTMENT OF MRS. GAURI SHAH AS AN INDEPENDENT DIRECTOR:

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable laws and pursuant to the Articles of Association of the Company, Mrs. Gauri Shah (DIN: 06625227), Independent Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act, as amended from time to time and who is eligible for re-appointment and for whom the Company has received notice under Section 160(1) of the Act, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 13 February, 2020 to 12 February, 2025 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

9. RE-APPOINTMENT OF MR. DILIP SADARANGANI AS AN INDEPENDENT DIRECTOR:

To consider, and if thought fit, to pass, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('the Act') read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable laws and pursuant to the Articles of Association of the Company, Mr. Dilip Sadarangani (DIN: 06610897), who was appointed as an Additional Director of the Company with effect from 29th June 2019, by the Board of Directors, on the recommendation of the Nomination & Remuneration Committee in terms of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of the Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of one year from the date of this Annual General

Meeting or till the time he retires from the Board of the holding Company (The Federal Bank Ltd), whichever is earlier.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and are hereby severally authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

10. TO APPROVE SELLING, ASSIGNMENT OF COMPANY’S RECEIVABLES/BOOK DEBTS UPTO INR 750 CRORES:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT the consent of the Members of the Company be and is hereby accorded, pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any amendment, modification, variation or re-enactment thereof), to the Board of Directors of the Company (hereinafter referred to as “the 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 this resolution) to sell/assign substantial assets including receivables/book debt of the Company in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/Pass Through Certificates and other instruments and also to issue covenants for negative pledges/negative liens in respect of the said assets and properties in such form and manner as the Board may deem fit and for the said purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and also to execute the required documents including power of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions, trustees etc., from time to time provided that the aggregate amount of such transactions shall not exceed INR 750 Crore (Rupees Seven Hundred Fifty Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof) be and are hereby severally authorised to negotiate, finalize and execute with the Lender(s)/ Debenture Trustees/Financial Institutions such documents/agreements/undertaking/indemnities/ guarantees as may be required and to propose/accept any modifications to the terms and conditions thereto and to do all such acts, deeds and things 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 and/or directors(s) and/or officer(s) of the Company, to give effect to this resolution.

11. TO APPROVE SECURITISATION TRANSACTION WITH THE FEDERAL BANK LTD:

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the Rule made thereunder (including any amendment, modification, variation or re-enactment thereof) and subject to such other rules, regulations and guidelines as may be applicable from time to time the consent of the Members be and is hereby accorded to enter into contract(s)/arrangement(s)/transaction(s) of securitisation with The Federal Bank Ltd, a related party within the meaning of the aforesaid law, on such terms and conditions as may be determined by the Board of Directors (or any other person so authorised by the Board of Directors).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee constituted/ to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications, etc. 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 and/or directors(s) and/or officer(s) of the Company, to give effect to this resolution.

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

**Place: Mumbai
Date: 12.07.2019**

**Ankit Kawa
Company Secretary
Membership 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 AND FORMS PART OF THE NOTICE.

(ii) IN RESPECT OF THE ORDINARY RESOLUTION AT ITEM NO. 2, 3, 8 & 9, A STATEMENT GIVING ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT IS ANNEXED HEREWITH TO NOTICE AS ANNEXURE I.

(iii) 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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER

(iv) 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.

(v) MEMBERS/PROXIES/REPRESENTATIVES SHOULD BRING THE ENCLOSED DULY FILLED ATTENDANCE SLIP, FOR ATTENDING THE MEETING.

(vi) MEMBERS MAY ALSO NOTE THAT THE NOTICE OF THE 24TH ANNUAL GENERAL MEETING AND THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019 WILL BE AVAILABLE ON THE COMPANY'S WEBSITE VIZ. WWW.FEDFINA.COM FOR DOWNLOAD.

(vii) 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.

(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 & CORPORATE OFFICE OF THE COMPANY.

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

The following Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 sets out all material facts relating to the business mentioned in item nos. 3 to 12 in the accompanying Notice of the Annual General Meeting.

Item No. 3

Mr. Anil Kothuri (DIN: 00177945) was appointed as the Managing Director & Chief Executive Officer of the Company for a term of five (5) years w.e.f. December 11, 2018.

Mr. Anil Kothuri is an MBA from IIM-Ahmedabad & have done B-Tech. He has worked in the Edelweiss Group since 2010 and has headed multiple businesses and functions during this stint. His last assignment with Edelweiss was as CEO of Edelweiss Housing Finance Ltd and Head Retail Finance. He has been instrumental in exponentially scaling up profitable businesses within the company and the group. Prior to Edelweiss he has held a long stint with Citibank where again he has headed the Product and business functions in SME, Consumer Loans, Auto Loans etc.

The principal terms of appointment and remuneration of Mr. Anil Kothuri as Managing Director are as follows:

- A. Salary and Perquisites: Consolidated Fixed Pay of INR 15 Lakhs per month inclusive of all statutory payments and perquisites subject to Income Tax deduction at source.
- B. Variable Remuneration: In addition to the salary, perquisites, allowances etc. Mr. Anil Kothuri shall be entitled to receive remuneration every year by way of performance linked bonus. Such bonus shall be paid for the year under review as may be determined by the Board / Nomination and Remuneration Committee for each financial year considering achievement of targets, performance of the Company and/or other relevant matters.
- C. Increment: Annual increment in Salary shall be approved by Nomination & Remuneration Committee (NRC) / Board of Directors, keeping in view performance of the Company on its operations and his achievements or role and responsibilities, as the NRC / Board may think appropriate.
- D. Provident Fund, Leaves etc: He will also be eligible for other benefits including contribution to provident fund, pension, gratuity, leave, encashment of leaves and/or similar benefits or payment as per the Rules of the Company. Aforesaid shall not be included in the computation of limits for the remuneration or perquisites to the extent exempted under Schedule V of the Companies Act 2013.

The terms and conditions for appointment and payment of remuneration may be altered and varied by the Nomination and Remuneration Committee / Board, if necessary and to the extent permitted under applicable law.

It is desirable, as a matter of abundant caution and compliance also, to approve for payment of managerial remuneration, if necessity arise, in excess of the percentage of the profit of each financial year as prescribed in section 197 of the Act, provided that overall remuneration in aggregate to all directors including the Managing Director shall not exceed 11% of the net profit of that financial year. Net profit for the said purpose means profit as computed in the manner as prescribed in section 198 of the Act. Section 197 of the Act inter alia provides that the total managerial remuneration to its directors, including managing directors, manager and whole time directors (Managerial Persons) in respect to any financial year shall not exceed 11% of the net profit of the Company for that financial year. The section further provides that with approval of members, the remuneration can be paid to Managerial Person in excess of 5% of

annual net profit and if there is more than one such Managerial Person, remuneration can be paid in excess of 10% of annual net profit, provided that overall remuneration in aggregate to all directors shall not exceed 11% of the net profit of relevant financial year.

Details relating to directorship in other companies, meetings attended, relation with other directors, shares held and other details are given in the AGM Notice. Financials and other business details of company is available on website of the Company.

Your Directors are of the opinion that the appointment of Mr. Anil Kothuri as Managing Director would be beneficial to the Company and accordingly recommend passing the special resolution as proposed in the Notice.

The Resolution and Explanatory Statement should be considered as disclosure and information under applicable statutory provisions including that of the written memorandum pursuant to section 190 of the Act.

Mr. Anil Kothuri to whom the resolution relates is interested in the resolution. Other directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested in the resolution.

Item No. 4

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 may make an offer or invitation to subscribe to the debentures through an issue of a private placement offer letter with a previous special resolution of its members approving offer(s) or invitation(s) to subscribe to the debentures of the Company on private placement basis.

In case of offer or invitation for issuance of non-convertible debentures (NCDs), 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 company had obtained the approval of members at the last Annual General Meeting held on 8th August 2018 for issuance of non-convertible debentures not exceeding INR 200 crores in one or more tranches on private placement basis and the said approval of the members is valid till conclusion of 24th Annual General meeting of the company.

In order to facilitate the raising of funds by way of issuance of Non Convertible Debentures, it would be necessary to have the fresh approval of members in place. Accordingly, the Board of Directors after assessing its fund requirements, has proposed to obtain the consent of the Members of the company for borrowing by way of issuance of NCDs not exceeding INR 200 crores to the eligible investor(s) in one or more tranches on private placement basis in accordance with relevant provisions of the Companies Act 2013, applicable circular or guidelines issued by the RBI and such other laws and regulations as may be applicable to the company.

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 NCDs are not proposed to be issued at premium.

The terms and conditions of the issue of NCDs including face value, coupon rate, tenor, 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.

The Board recommends the Special Resolution set out at item no.4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no.4 of the Notice.

Item No. 5 & 6:

On August 8, 2018, Members of the Company by way of a special resolution passed at the Annual General Meeting of the company had accorded their consent to the Board of Directors to borrow funds from banks, financial institutions for an amount not exceeding INR 3,000 crore (Rupees Three Thousand Crore Only) and to mortgage or create charge on all or any of the assets of the Company in favour of the concerned lenders for the purpose of securing the due repayment of the monies borrowed by the Company together with the interest and other monies thereon.

As per the provisions of Section 180(1)(c) and 180(1)(a), respectively, of the Companies Act, 2013, the Board of Directors of a company shall not, borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and share premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business, or sell, lease or otherwise dispose of the whole or substantially the whole of its undertaking, without the consent of the members of the company accorded at the General Meeting by means of a 'special resolution'.

For the purpose of funding its lending business operations, the Company raises resources inter-alia by borrowing monies from time to time from various bodies corporate, banks, financial institutions, etc. and these borrowings are inter-alia secured by hypothecation of receivables, promissory notes and pledge on the assets of the Company.

Considering the future business plans of the Company, it is proposed to increase the borrowing limits of the Company from present Rs. 3,000 crore to Rs. 4,000 crore by passing the resolution proposed under item no. 5 & 6 as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 5&6 of the Notice.

Item No.7:

It is proposed to issue 4729730 0.01% optionally convertible redeemable preference shares of the Company having face value of INR 10/- (Rupees Ten only) each and premium of INR 32.10/- (Rupees Thirty Two and Paise ten only), to be issued to the Subscriber, and optionally convertible into Equity Shares of the Company having face value of INR 10/- (Rupees Ten only) each.

The existing authorized capital of the company INR 3,00,00,00,000 (Three Hundred Crores only) divided into 300000000 equity shares of Rs.10/- each.

To accommodate the issue, it is therefore proposed to reclassify 1 Crore equity shares of INR 10/- each out of the 30 Crores equity shares in the authorized capital to preference share capital.

After reclassification the authorized share capital would be INR 300,00,00,000 (Three Hundred Crores only) divided into Twenty nine Cores equity shares of INR 10/- each and One Crore 0.01% Non-Cumulative Redeemable Preference Shares of INR 10/- each.

Clause V of the Memorandum of Association is also sought to be altered pursuant to the reclassification.

Hence, your Board of Directors seek your consent. The Directors recommend the resolution for approval of shareholders.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 7 of the Notice.

Item No.8:

Mrs. Gauri Shah was appointed as an Independent Non-Executive Director of the Company by the members at the 20th AGM of the Company held on 29th June, 2015 for a period of five consecutive years commencing from 13th February, 2015 upto 12th February, 2020.

The Members may note that pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five (5) consecutive years on the Board of a company, but shall be eligible for re-appointment for a further term of up to five (5) consecutive years on passing of a special resolution by the company.

The Nomination and Remuneration Committee (the NRC) of the Board of the Company, at its meeting held on 7 June 2019, had unanimously recommended to the Board, the re-appointment of Mrs. Gauri Shah as an Independent Director for a another term not exceeding five (5) consecutive years from 13 February 2020 and expiring on 12 February 2025.

The NRC, while recommending the re-appointment of Mrs. Gauri Shah, had considered various factors, viz., the number of Board, Committee and General Meetings attended by her, knowledge & experience; her specific skills helping the Board and the Company in attaining its objectives; her participation in the Board/Committee deliberations; summary of her performance evaluation; time devoted by her; specialized skills and expertise and her independent judgment in the opinion of the entire Board.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Gauri Shah as an Independent Director and based on the recommendation made by the NRC as above, the Board of Directors, at its meeting held on 7th June 2019, has unanimously decided to re-appoint Mrs. Gauri Shah, not liable to retire by rotation, for a another term not exceeding five (5) consecutive years with effect from 13 February 2020 and expiring on 12 February 2025.

Mrs. Gauri Shah's profile is given in the section 'Profile of Directors being appointed' annexed to the Notice.

Mrs. Gauri Shah has given her consent to be re-appointed as such and also the confirmation that she is not disqualified to act as Director in terms of Section 164 of the Act. Besides, she has also provided a confirmation under Section 149(7) of the Act that she meets the criteria of independence as prescribed under Section 149(6) of the Act and she is independent of the management.

In the opinion of the Board, Mrs. Gauri Shah, fulfil the conditions specified in Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder read with Schedule IV to the Act. The Company has received a notice in writing under the provisions of Section 160 of the Act from a Member proposing the candidature of Mrs. Gauri Shah for re-appointment as an Independent Director of the Company.

Copy of the draft letter for appointment of Mrs. Gauri Shah as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:15 am to 6:15 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

Except Mrs. Gauri Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the accompanying Notice of the AGM. Mrs. Gauri Shah is not related to any Director of the Company.

Note No. 9:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Dilip Sadarangani as an Additional Independent Director of the Company with effect from 29th June 2019. The Additional Director holds office only upto the date of the ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') but is eligible for appointment as Director.

The Company has received a notice under Section 160(1) of the Act from a member signifying his intention to propose Mr. Sadarangani's re-appointment as a Director of the Company. Mr. Sadarangani has also given a declaration under section 149(7) of the Act that he meets the criteria for independence as provided under section 149(6) of the Act and fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

The Members may note that pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five (5) consecutive years on the Board of a company, but shall be eligible for re-appointment for a further term of up to five (5) consecutive years on passing of a special resolution by the company.

The Nomination and Remuneration Committee (the NRC) of the Board of the Company, at its meeting held on 7 June 2019, had unanimously recommended to the Board, the re-appointment of Mr. Dilip Sadarangani as an Independent Director for a another term.

The NRC, while recommending the re-appointment of Mr. Dilip Sadarangani, had considered various factors, viz., the number of Board, Committee and General Meetings attended by him, knowledge & experience; his specific skills helping the Board and the Company in attaining its objectives; his participation in the Board/Committee deliberations; summary of his performance evaluation; time devoted by him; specialized skills and expertise and his independent judgment in the opinion of the entire Board. Further as a Non- Executive Chairman of the Company, his performance was evaluated as 'Outstanding' by the Board.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dilip Sadarangani as an Independent Director and based on the recommendation made by the NRC as above, the Board of Directors, at its meeting held on 7th June 2019, has unanimously decided to re-appoint Mr. Dilip Sadarangani, not liable to retire by rotation, for a another term as prescribed in the resolution.

Mr. Dilip Sadarangani's profile is given in the section 'Profile of Directors being appointed' annexed to the Notice.

Mr. Dilip Sadarangani has given his consent to be re-appointed as such and also the confirmation that he is not disqualified to act as Director in terms of Section 164 of the Act.

In the opinion of the Board, Mr. Dilip Sadarangani, fulfil the conditions specified in Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder read with Schedule IV to the Act.

Copy of the draft letter for appointment of Mr. Dilip Sadarangani as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:15 am to 6:15 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

Except Mr. Dilip Sadarangani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice of the AGM.

Note no. 10:

Members of the Company are requested to note that Company may raise funds by way of sale/assignment/securitisation of its receivables to any Bank or Financial Institution as per the terms approved by the Board of Directors.

The sale/assignment/ securitisation of the receivables may result into disposal of undertaking as defined in the explanation to Section 180(1)(a) of the Companies Act, 2013. As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a company shall not sell, assign its receivables/book debts without the consent of the Members of the company accorded at the General Meeting by means of a 'special resolution'.

In view of the aforesaid, the Board of Directors at its meeting held on July 12, 2019, has subject to the approval of Members, approved to sell, assign/ securitize receivables as approved by the Members pursuant Section 180(1)(a) of the Companies Act 2013.

In this regard, the approval of the Members is sought for sale/assignment/securitisation of its receivables/book debt up to Rs. 750 Crore on such terms and conditions as may be determined by the Board of Directors (or any other person authorised by the Board of Directors), depending on the prevailing market conditions.

Accordingly, the approval of the Members is being sought by way of special resolution authorising the Board of Directors to sell/assign substantial assets including receivables/book debt of the Company for the holders of debentures/bonds/Pass Through Certificates and other instruments for an aggregate amount not exceeding Rs. 750 crore (Rupees Seven Hundred Fifty crore Only).

The Board recommends the resolution as set out at Item No. 10 of the accompanying Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no.11 of the Notice.

Note No. 11:

It may be noted that the Bank is the promoter & holding company of the Company, and currently holds 82.59% of the paid up equity share capital of the Company. Mr. Shyam Srinivasan, Managing Director of the Bank is also on the Board of the Company as a Non-Executive Director.

In terms of the provisions of Section 188 of the Companies Act, 2013 ('Act'), Related Party Transactions' ('RPT') need to be approved by Board of Directors in case it is not in the ordinary course of business of the

Company or not at arm's length basis. Further, approval of members is required for the RPTs exceeding the prescribed limit as mentioned in Section 188 of the Act. The Company proposes to enter into a securitisation transaction with the Bank, as per the regulatory framework laid down by Reserve Bank of India in the future.

The Board of Directors, at its meeting held on July 12, 2019, has approved securitisation transactions with the Bank, as per the regulatory framework laid down by Reserve Bank of India in the future, subject to the approval of the Members.

i. Name of the Related Party – The Federal Bank Ltd

ii. Name of the director or key managerial personnel who is related – Mr. Shyam Srinivasan & Mr. Sumit Kakkar

iii. Nature of relationship - Promoter and holding company

iv. Nature, material terms, monetary value and particulars of the contract or arrangements - The securitisation transactions in one or more tranches within the overall securitisation limit of Rs. 400 crore (Rupees Four Hundred crore Only)

v. Any other information relevant or important for the Members to take a decision on the proposed resolution- None.

In view of the above, the approval of the Members is sought for entering into securitisation transactions with the Bank. The Audit Committee of the Company in its meeting dated 12th July 2019 has also granted approval for such transaction with the Bank.

Accordingly, the Board recommends the resolution as set out at Item No. 11 of the accompanying Notice for the approval of the Members.

Except Mr. Shyam Srinivasan & Mr. Sumit Kakkar, none of the Directors, Key Managerial Personnel and their relatives are interested in the passing of the above resolution.

All related parties shall abstain from voting on these resolutions.

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

**Place: Mumbai
Date: 12th July 2019**

**Ankit Kawa
Company Secretary
Membership No.: A44317**

ANNEXURE I: ADDITIONAL INFORMATION ON DIRECTOR BEING APPOINTED/REAPPOINTED:**PROFILE OF DIRECTORS BEING APPOINTED/REAPPOINTED**

Name	Mr. Shyam Srinivasan (DIN: 02274773)
Date of Birth	February 2, 1962
Age	57 years
Qualifications	B. E. & PGDM (IIM Kolkata)
Experience	Mr. Shyam Srinivasan has more than 29 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.
Terms and conditions of appointment or re-appointment	Non Executive Director (Non Independent), liable to retire by rotation.
Details of remuneration sought to be paid	NA
Details of the remuneration last Drawn in FY 2018-19	NA
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 Financial year	Mr. Shyam Srinivasan attended all the Eight Board meetings held during the FY 2018-19.
Directorships held in other companies	1. The Federal Bank Ltd 2. IDBI Federal Life Insurance Company Limited 3. Indian Institute of Banking and Finance (Governing Council Member)
Membership/ Chairmanship of Committees of other companies	1. The Federal Bank Ltd: Chairman: <ul style="list-style-type: none"> • Special Committee of the Board for monitoring & follow up of cases of Fraud; • Review Committee of the Board on Non Cooperative Borrowers; • Review Committee of the Board for Wilful Defaulters of the Bank. Member: <ul style="list-style-type: none"> • Credit Committee & Investment and Raising Capital Committee; • Risk Management Committee; • Investor Grievance, Share Transfer & Stakeholder relationship Committee; • Customer Service, Marketing Strategy and Digital Banking Committee; • Information Technology & Operations Committee; • Committee for Human Resource Policy; • Corporate Social Responsibility Committee;

	<p>2. IDBI Federal Life Insurance Company Limited</p> <p>Chairman: Policy Holder Protection Committee</p> <p>Member: Nomination & Remuneration Committee</p>
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Name	Mrs. Gauri Rushabh Shah (DIN: 06625227)
Date of Birth	November 6, 1973
Age	45 years
Qualifications	ACA & B Com
Experience	10 year experience in Financial & Business Advisory
Terms and conditions of appointment or re-appointment	Non Executive Director (Independent), not liable to retire by rotation.
Details of remuneration sought to be paid	NA
Details of the remuneration last Drawn in FY 2018-19	NA
date of first appointment on the Board	13 th February, 2015
Shareholding in the Company	NA
Relationship with other Directors, Manger and other KMPs of the company	Mrs. Gauri Shah is not related to any other Director, Manager and other KMPs of the company.
the number of Meetings of the Board attended during the Financial year	Mrs. Gauri Shah attended Seven Board meetings out of Eight Board meetings held during the FY 2018-19.
Directorships held in other companies	NA
Membership/ Chairmanship of Committees of other companies	NA

Name	Mr. Dilip Gena Sadarangani (DIN: 06625227)
Date of Birth	September 8, 1949
Age	69 Years
Qualifications	Bachelor of Science (Hons) degree from University of Bombay. Also holds a post graduate diploma in Computer management from Jamnalal Bajaj Institute of Management, University of Bombay.
Experience	He has wide experience in Banking/Technology/Operations, and includes management, maintenance and support of IT software projects as well as IT operations. He has developed and put in place processes and IT policies and continuity plans in three leading Banks in India, Australia and Kuwait.
Terms and conditions of appointment or re-appointment	Non Executive Director (Independent), not liable to retire by rotation.
Details of remuneration sought to be paid	NA
Details of the remuneration last Drawn in FY 2018-19	NA
date of first appointment on the Board	23 rd June, 2017
Shareholding in the Company	NA
Relationship with other Directors, Manger and other KMPs of the company	Mr. Dilip Gena Sadarangani is not related to any other Director, Manager and other KMPs of the company.
the number of Meetings of the Board attended during the Financial year	Mr. Dilip Gena Sadarangani attended Eight Board meetings out of Eight Board meetings held during the FY 2018-19.
Directorships held in other companies	The Federal Bank Ltd
Membership/ Chairmanship of Committees of other companies	<ul style="list-style-type: none"> • Chairman of Board in The Federal Bank Ltd • Member of the following committees in The Federal Bank Ltd: <ol style="list-style-type: none"> 1. Nomination, Remuneration, Ethics and Compensation Committee 2. Investor Grievance, Share Transfer, and Stakeholder Relationship Committee 3. Credit, Investment and Raising Capital Committee 4. Information Technology & Operations Committee 5. Review committee of the Board on non co- operative Borrowers

Name	Mr. Anil Kothuri (DIN: 00177945)
Date of Birth	July 26, 1971
Age	49 years
Qualifications	MBA & B Tech
Experience	He has worked in the Edelweiss Group since 2010 and has headed multiple businesses and functions during this stint. His last assignment with Edelweiss was as CEO of Edelweiss Housing Finance Ltd and Head Retail Finance. He has been instrumental in exponentially scaling up profitable businesses within the company and the group. Prior to Edelweiss he has held a long stint with Citibank where again he has headed the Product and business functions in SME, Consumer Loans, Auto Loans etc.
Terms and conditions of appointment or re-appointment	Managing Director & Chief Executive Officer, Not Liable to retire by rotation.
Details of remuneration sought to be paid	Rs. 2.016 Crores p.a.
Details of the remuneration last Drawn in FY 2018-19	Rs. 1.80 Crores p.a.
date of first appointment on the Board	11 th December, 2018
Shareholding in the Company	NA
Relationship with other Directors, Manger and other KMPs of the company	Mr. Anil Kothuri is not related to any other Director, Manager and other KMPs of the company.
the number of Meetings of the Board attended during the Financial year	Mr. Anil Kothuri attended One Board meeting held during the FY 2018-19.
Directorships held in other companies	NA
Membership/ Chairmanship of Committees of other companies	NA