



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 **Email:** customercare@fedfina.com **WEBSITE:** www.fedfina.com

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty Third Annual General Meeting (AGM) of the members of Fedbank Financial Services Limited will be held at shorter notice i.e. on Wednesday, 8th August 2018, at 11:00 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, 2018, including the Audited Balance Sheet as at March 31, 2018, 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.

3. AUTHORISE THE BOARD OF DIRECTORS TO FIX THE REMUNERATION OF STATUTORY AUDITORS OF THE COMPANY

To authorise the Board of Directors to fix remuneration of M/s Varma and Varma, Chartered Accountants, Statutory Auditors of the Company 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 section 142 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the members of the Company at the 21st Annual General Meeting held on 11 August 2016 in respect of the appointment of M/s Varma and Varma, Chartered Accountants (Firm registration No. 004532S) to hold office till the conclusion of the 26th Annual General Meeting, the Board of Directors be and is hereby authorised to fix the remuneration (including terms of payment) of Statutory Auditors of the company for the period commencing from the financial year 2018-19, until the conclusion of the 26th Annual General Meeting of the Company to be held in the year 2021.’



SPECIAL BUSINESS:

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 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 23rd Annual General meeting till the conclusion of the 24th 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 RS.2,000 CRORE TO RS. 3,000 CRORE:- 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 Rs.3,000 Crore(Rupees Three Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is 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 RS.3,000 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 Rs.3,000 crore (Rupees three 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.”

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

**Place: Mumbai
Date: August 1st, 2018**

**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, A STATEMENT GIVING ADDITIONAL INFORMATION ON THE DIRECTOR 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 23RD ANNUAL GENERAL MEETING AND THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018 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. 4 to 6 in the accompanying Notice of the Annual General Meeting.

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 14th July 2017 for issuance of non-convertible debentures not exceeding Rs. 200 crores in one or more tranches on private placement basis and the said approval of the members is valid till conclusion of 23rd 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 Rs. 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 July 15, 2014, 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 Rs. 2,000 crore (Rupees Two 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.2,000 crore to Rs.3,000 crore by passing the resolution proposed under item no. 5 as a Special Resolution. Further, in order to provide security to such loans by way of mortgage or creating charge on the assets of the Company upto Rs. 3,000 crore, resolution under item no. 6 is proposed to be passed 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.

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

**Place: Mumbai
Date: August 1st, 2018**

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



ANNEXURE I: ADDITIONAL INFORMATION ON DIRECTOR BEING APPOINTED/REAPPOINTED:

Name	Mr. Shyam Srinivasan (DIN: 02274773)
Date of Birth	February 2, 1962
Age	56 years
Qualifications	B. E. & PGDM (IIM Kolkata)
Experience	Mr. Shyam Srinivasan has more than 28 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 2017-18	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 six Board meetings held during the FY 2017-18.
Directorships held in other companies	<ol style="list-style-type: none"> 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	<p>1. <u>The Federal Bank Ltd:</u></p> <p><u>Chairman:</u></p> <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. <p><u>Member:</u></p> <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;

2. IDBI Federal Life Insurance Company Limited

Chairman:

Policy Holder Protection Committee

Member:

Nomination & Remuneration Committee