

SBI Cards and Payment Services Private Limited

**Regd. Office: Unit 401 & 402, 4th Floor, Aggarwal Millennium Tower, E-1,2,3,
Netaji Subhash Place, Wazirpur, New Delhi - 110034**

NOTICE

Notice is hereby given that the Extraordinary General Meeting of the Company will be held on Thursday, April 30, 2015 at 11:00 AM at the NHO, 10th Floor, Infinity Tower C, DLF, Cyber City, Gurgaon to consider the following items of business:

Special Business:

1. To approve the related party transaction with State Bank of India

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

"RESOLVED THAT pursuant to the Section 188 of the Companies Act, 2013 and such other provisions of the said Act, read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company/shareholders be and is hereby accorded to enter into and carry on the related party transaction by the Company with State Bank of India to avail CMP services for the period from 01-04-2015 to 30-06-2015 at the maximum unit cost of Rs.10.50 on such terms and conditions as may be deemed fit by the Board of Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director, CEO, CFO and Company Secretary of the Company be and are hereby severally authorized, for and on behalf of the Company to do all such acts, deeds, matters and things as may be considered necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

2. Appointment of Independent Director

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 150(2), 152 and other applicable provisions of the Companies Act, 2013 (the Act) and Rules made therein and any other law as may be applicable **Shri Percival Sam Billimoria**, DIN: 01197535, who is eligible for appointment and who has submitted a declaration

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CIN: U65999DL1998PTC093849 # Telephone No.: 0124-4589803 # Fax No.: 0124-3987306

Email address: ceo.sbicpsl@ge.com # website: www.sbicard.com

that he meets the criteria of independence under Section 149(6) of the Act, and is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of three years with effect from April 30, 2015 to April 29, 2018 on such terms and conditions and remuneration as the Board of Directors may deem fit.

RESOLVED FURTHER THAT any Directors, CEO, CFO or Company Secretary of the Company be and are hereby authorized jointly or severally to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”

By order of the Board of Directors
For SBI Cards and Payment Services Pvt. Limited

SD/-
Company Secretary

Date: April 7, 2015
Place: Gurgaon

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Explanatory statement containing material facts pursuant to section 102 of the Companies Act, 2013 is enclosed.
4. All the relevant documents in respect of accompanying notice are open for inspection at the Registered office of the Company on all days (except on Saturday and Sunday).between 11.00 AM to 5.00PM

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EXPLANATORY STATEMENT CONTAINING MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.1

To approve the related party transaction with State bank of India

The Company is managing its CMP (Cash Management) process with help of State Bank of India CMP team. Following are the major activities handled by SBI CMP:-

- Drop box clearance
- Agency Management
- Cheque Capturing
- Cheque Banking
- Wing to wing reconciliation

The agreement with SBI for the aforesaid service had expired on 31st December'14 which was renewed with shareholder's approval for the period from January to March 31, 2015. We request further extension of the agreement with SBI CMP till 30 June 2015, on the maximum unit cost of Rs. 10.50.

The Company's arrangement with SBI CMP falls under Section 188(1) of the Companies Act, 2013. The transaction is in the Ordinary Course of business. However, on the basis of available comparable, the transaction is not on arms' length and requires approval of shareholders in accordance with Section 188 of the Companies Act 2013. As the services of SBI CMP are being continued even after expiration of Agreement on March 31, 2015, we request the shareholders to grant approval under section 188(3) and 188(1) of the Companies Act 2013 by way of special Resolution.

The particulars of contracts/arrangements/transactions are as under:

- (a) Name of the related party: State Bank of India
- (b) Name of the director or key managerial personnel who is related, if any: Smt. Arundhati Bhattacharya, Shri V G Kannan and Shri B Sriram, Directors are Chairperson and Managing Director of SBI, respectively.
- (c) Nature of relationship: Company is Subsidiary of SBI
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement: as detailed above

- (e) Any other information relevant or important for the members to take a decision on the proposed resolution: none

The Board of Directors therefore recommends the resolution as set out in Item No. 1 of the Notice for approval of shareholders of the Company. SBI, being holding Company and promoter of the Company shall be deemed to be interested in the matter and shall not vote on the resolution.

None of the other Directors, Manager and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the said Resolution resolution except to the extent of their employment with SBI or nomination by SBI, if any.

The Board of Directors of your Company recommends the passing of the resolutions set-out under Item No.1 of the Notice as Special Resolution.

Item No. 2

In view of practice of good corporate governance followed by the Company, appointment of Shri Percival Sam Billimoria (DIN 01197535) as independent director be and is hereby proposed on the Board of the Company. As required under Section 160 of the Act, the Company has received notice in writing from Shri Billimoria alongwith the requisite amount of deposit proposing his candidature for the office of Director of the Company.

The proposed Director has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act. In the opinion of the Board, Shri Billimoria fulfils the conditions specified in the Act and the Rules made thereunder, for appointment as Independent Director.

A Copy of draft offer letter for the appointment of Shri Billimoria as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during the normal business hours on all working days, upto the date of the Extraordinary General Meeting.

The brief profile of the Director proposed to be appointed as an Independent Director as per the provisions of the Companies Act, 2013 is as under;

Shri Percival Sam Billimoria is a senior partner of AZB & Partners, Advocates & Solicitors. He is also a Chartered Accountant by qualification. His expertise include litigation and dispute resolution especially pertaining to commercial trans-national matters such as joint venture & project finance disputes, tax litigation and anti-trust litigation.

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In view of the justification stated above, the Board of Directors recommends the resolution set out at Item no.2 of the notice for your approval.

None of the Directors, manager, key Managerial Personnel, promoter of the Company and their relatives thereof is in anyway concerned or interested in the proposed resolution.

Date: April 7, 2015
Place: Gurgaon

By order of the Board of Directors
For SBI Cards and Payment Services Pvt. Limited

SD/-
Company Secretary