

**HDB/SLC/2024/1191****January 29, 2024**

To,

Listing Compliance Department <b>BSE Limited</b> P J Towers, Dalal Street, Mumbai - 400 001	Listing Compliance Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, BKC, Bandra (East), Mumbai- 400051
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**Sub.: Notice of Postal Ballot**

Please find enclosed herewith a copy of the Notice of Postal Ballot dated Friday, January 26, 2024 together with the Explanatory Statement thereto, seeking approval of the Members of HDB Financial Services Limited (the "Company") on the items of special business as mentioned in the Notice of Postal Ballot, by means of electronic voting ("remote e-voting") in compliance with the relevant circulars issued by the Ministry of Corporate Affairs ("MCA") in this regard.

Pursuant to Regulation 50(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, this is to inform you that the approval of the Members of the Company is being sort through Postal Ballot inter-alia for following business:

1. Authority to issue and allotment of Subordinated Bonds on private placement basis.
2. Authority to issue and allotment of Perpetual Debt Instruments on private placement basis.
3. To approve material related party transactions with HDFC Bank Limited for financial year 2024-25.
4. To approve material related party transactions with HDFC Life Insurance Company Limited for financial 2024-25.
5. To approve increase in borrowing limits of the Company from Rs. 80,000 Crores to Rs. 1,25,000 Crores.
6. To approve increase in limits for creation of charge on the assets of the company upto an amount of Rs. 1,25,000 Crores to secure its borrowings.
7. To approve the re-appointment of Dr. Amla Samanta (DIN: 00758883) as an Independent Director of the Company.
8. To approve the appointment of Mr. Jayesh Chakravarthi (DIN: 08345495) as an Independent Director of the Company.

In compliance with the applicable circulars, the Notice of Postal Ballot is being sent by electronic mode only to those Members whose names appears in the Register of Members / List of Beneficial Owners maintained by the Company/ Depositories i.e. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as at close of business hours on Friday, January 19, 2024, (the 'Cut-off date') and whose e-mail addresses are registered with the Company / Depositories.

**HDB/SLC/2024/1191**

The Notice of Postal Ballot is also available on the Company's website at <https://www.hdbfs.com/investors> under section 'Investor Services' / 'Postal Ballot'.

We request you to take the same on record.

Thanking you,

**For HDB Financial Services Limited**

**Dipti Khandelwal**  
**(Company Secretary)**  
**Membership No. F11340**



**HDB Financial Services Limited**

**Corporate Identity Number:** U65993GJ2007PLC051028

**Registered Office:** Radhika, 2<sup>nd</sup> Floor, Law Garden Road, Navrangpura, Ahmedabad - 380 009

**Corporate Office:** Ground Floor, Zenith House, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400 034

**Tel:** +91 22 49116300; **Fax:** +91 22 49116666, **Website:** www.hdbfs.com, **Email:** compliance@hdbfs.com

**NOTICE OF POSTAL BALLOT**

[Pursuant to Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 each as amended and applicable Circulars issued by the Ministry of Corporate Affairs, Government of India, from time to time.]

Dear Member(s),

**NOTICE** is hereby given pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013, (“**Act**”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“**Rules**”), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“**SS-2**”) as amended and in accordance with the requirements prescribed by the Ministry of Corporate Affairs (“**MCA**”) for holding general meetings / conducting postal ballot process through electronic voting (remote e-voting) vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 09/2023 dated September 25, 2023 (“**MCA Circulars**”) and other applicable laws and regulations, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, that the resolutions appended below are proposed to be passed by the Members of the Company (as on the Cut-off Date) (“**Members**”), through postal ballot (“**Postal Ballot**”) only by way of remote e-voting process (“**remote e-voting**”). An Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons thereof form part of this Notice of Postal Ballot (“**Notice**”).

Pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolutions is restricted only to remote e-voting i.e., by casting votes electronically instead of submitting postal ballot forms. In compliance with the MCA Circulars, the Notice and instructions for remote e-voting are being sent only through electronic mode to those Members whose email addresses are registered with the Company / depository participant(s).

**Resolutions:**

**Item No. 1: AUTHORITY TO ISSUE AND ALLOTMENT OF SUBORDINATED BONDS ON PRIVATE PLACEMENT BASIS**

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

“**RESOLVED THAT** in furtherance to the resolution passed by the Members of the Company at its Annual General meeting held on June 30, 2023 and pursuant to the provisions of Sections 42, 71 and any other applicable provisions, if any of the Companies Act, 2013 (“**Act**”) read with the Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and any other applicable rules and regulations made thereunder, Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (“**RBI Master Direction**”), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with the Securities and Exchange Board of India’s Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 and the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, the terms of the General Information Document issued by the Company (“**General Information Document**”), any other law, rules, guidelines, regulations for the time being in force and any other circulars, notifications and/or clarifications issued by any relevant authority (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such terms, conditions and modifications as may be considered necessary and proper by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee of the Board constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to offer and invite for issue and allotment of Subordinated Bonds (Classified as Tier II capital under the provisions of RBI Master Direction), whether fixed rate or floating rate on a private placement basis (collectively “**Subordinated Bonds**”), in one or more tranches /series, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium /discount, tenor etc., as may be determined by the Board (or any other person so authorised by the Board), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of Subordinated Bonds pursuant to the authority under this Resolution shall be up to Rs. 3,000 Crores (Rupees Three Thousand Crores Only) under one or more General Information Document read with the relevant Key Information Document(s) and private placement letter(s) as may be issued by the Company and in one or more tranches /series as the Board may decide which shall be within the overall limit of borrowing as approved by the Members of the Company pursuant to the resolution passed under Section 180 (1)(c) of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorised to do all such acts, deeds, matters and things and to negotiate, finalise, amend, 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 regard to the aforesaid Resolution as it may in its sole discretion deem fit and to sub-delegate all or any of their powers herein conferred to any Committee and/ or Director(s) and/ or Officer(s) of the Company, to give effect to this Resolution.”

## **Item No. 2: AUTHORITY TO ISSUE AND ALLOTMENT OF PERPETUAL DEBT INSTRUMENTS ON PRIVATE PLACEMENT BASIS**

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

“**RESOLVED THAT** in furtherance to the resolution passed by the Members of the Company at its Annual General meeting held on June 30, 2023 and pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any of the Companies Act, 2013 (“**Act**”), read with the Companies (Share Capital and Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014, Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 10, 2023 (“**RBI Master Direction**”), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with the Securities and Exchange Board of India’s Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, any other law, rules, guidelines, regulations for the time being in force and any other circulars, notifications and/or clarifications issued by any relevant authority (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such terms, conditions and modifications as may be considered necessary and proper by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any committee of the Board constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to offer and invite for issue and allotment of perpetual debt instruments

(classified as Tier I capital under the provisions of the RBI Master Direction), whether fixed rate or floating rate, on a private placement basis (collectively “**Perpetual Debt Instruments**”), in one or more tranches /series, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium /discount, tenor etc., as may be determined by the Board (or any other person so authorised by the Board), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of the Perpetual Debt Instruments pursuant to the authority under this Resolution shall be up to Rs. 500 Crores (Rupees Five Hundred Crores only), under one or more general information document(s) read with the relevant key information document(s) and private placement offer letter(s) as may be issued by the Company and in one or more tranches /series as the Board may decide;

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorized to do all such acts, deeds, matters and things and to negotiate, finalise, amend, 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 regard to the aforesaid Resolution as it may in its sole discretion deem fit and to sub-delegate all or any of their powers herein conferred to any Committee and/ or Director(s) and/ or Officer(s) of the Company, to give effect to this Resolution.”

### **Item No. 3: TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS WITH HDFC BANK LIMITED FOR FINANCIAL YEAR 2024-25**

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 188 of the Companies Act, 2013 (“**Act**”) and other applicable provisions of the Act read with any other applicable rules and regulations made thereunder , Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, including any amendment(s), modification(s), circular(s), variations or re-enactment(s) thereof, the Company’s Policy on Related Party Transactions and as per the recommendation / approval of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for entering into and / or continuing with arrangements / contracts / agreements / transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), with HDFC Bank Limited (“**HDFC Bank**”), holding Company, being a related party of the Company, for the financial year 2024-25 whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise as mentioned hereunder and as set out in the explanatory statement annexed to this Notice, notwithstanding the fact that all such transactions during the financial year 2024-25, whether individually and/or in the aggregate, may exceed 10% of the annual consolidated turnover as per the Company’s last audited financial statements or Rs. 1,000 Crores, whichever is lower or any other materiality threshold as may be applicable under laws/ regulations from time to time, provided that such arrangement(s) / contract(s) / agreement(s) / transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company:

- (i) To avail any loans or advances, credit facilities, or any other form of fund-based facilities, and/or guarantees, letters of credit, or any other form of non-fund based facilities, sanctioned up to an amount and on such terms and conditions (including rate of interest, security, tenure etc.) as permissible under applicable laws and relevant policies of the Company;
- (ii) To sell loans or loan pools by way of assignment/securitisation of loans and servicing arrangements;
- (iii) Issuance of debt securities viz. non-convertible debentures of the Company to HDFC Bank for which HDFC Bank may act as an arranger/ syndicate banker, including investment by HDFC Bank as permitted by applicable laws;

- (iv) To provide sales/ back-office support services and collection services for fees;
- (v) Placing fixed deposits and receipt of interest on fixed deposits;
- (vi) Any other transactions/arrangements as provided in the explanatory statement including those entered in the course of business of the Company including maintaining current accounts with HDFC Bank and payment of service charges for banking transactions;

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorised to sign and execute all such documents, contracts, agreements, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental to execution of such transactions and also to sub-delegate all or any of its powers herein conferred on it as they may deem fit to any Committee of the Board and / or Director(s) and / or officer(s) / employee(s) of the Company/ any other person(s) to give effect to the aforesaid resolution and to settle all questions, difficulties or doubts that may arise in this regard;

**RESOLVED FURTHER THAT** all actions taken by the Board and/ or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respect.”

**Item No. 4: TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS WITH HDFC LIFE INSURANCE COMPANY LIMITED FOR FINANCIAL YEAR 2024-25**

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 188 of the Companies Act, 2013 (“**Act**”) and other applicable provisions of the Act read with rules and regulations made thereunder, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, including any amendments, modification(s), circular(s), variations or re-enactment(s) thereof, the Company’s Policy on Related Party Transactions and as per the recommendation / approval of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for entering into and / or continuing with arrangements / contracts / agreements/ transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), with HDFC Life Insurance Company Limited (“**HDFC Life**”), being a related party of the Company, for the financial year 2024-25, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise as mentioned hereunder and on as set out in the explanatory statement annexed to this Notice, notwithstanding the fact that all such transactions during the financial year 2024-25, whether individually and/or in the aggregate, may exceed 10% of the annual consolidated turnover as per the Company’s last audited financial statements or Rs. 1,000 Crores, whichever is lower or any other materiality threshold as may be applicable under law/ regulations from time to time, provided that such arrangement(s) / contract(s) / agreement(s) / transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company:

- (i) Issuance of debt securities viz. non-convertible debentures/bonds of the Company to HDFC Life as permitted by applicable laws and payment of interest on the debt securities;
- (ii) Any other transactions/arrangements as provided in the explanatory statement such as corporate agency services, availing of insurance services, reimbursement of expenses, etc. entered in the course of business of the Company;

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorised to sign and execute all such documents, contracts, agreements, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental to execution of such transactions and also to sub-delegate all or any of its powers herein conferred on it as they may deem fit to any Committee of the Board

and / or Director(s) and / or officer(s) / employee(s) of the Company/ any other person(s) to give effect to the aforesaid resolution and to settle all questions, difficulties or doubts that may arise in this regard;

**RESOLVED FURTHER THAT** all actions taken by the Board and/ or the Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved and confirmed in all respect.”

**Item No. 5: TO APPROVE INCREASE IN BORROWING LIMITS OF THE COMPANY FROM RS. 80,000 CRORES TO RS. 1,25,000 CRORES**

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

“**RESOLVED THAT** in supersession of all the resolutions passed earlier in this regard, the consent of the members of the Company be and is hereby accorded under the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof), to the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution) to borrow from time to time, any sum or sums of monies, inter-alia, by way of loan, facility, financial assistance, issue of partly/ fully convertible/ non-convertible debentures/ bonds (including subordinated or perpetual debentures, market linked debentures or other forms of debt instruments), issue of commercial papers, availing external commercial borrowings, and all of the above can either be availed/ issued in Indian Rupee or any other currency as permissible under applicable law, whether secured or unsecured, and whether in India or abroad, notwithstanding that the loan, facility, financial assistance, partly/ fully convertible/ non-convertible debentures/ bonds, commercial papers, external commercial borrowings so availed together with the monies already borrowed by the Company, will exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), provided that the total amount so borrowed by the Board shall not, at any given point of time, exceed Rs. 1,25,000 Crores (Rupees One Lakh Twenty Five Thousand Crores Only), on such terms and conditions as the Board at its sole discretion 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 negotiate, agree and execute the required documents in this regard with any banks, financial institutions, companies, firms, individuals, persons, body corporate, associations, partnership, sole proprietorship, societies, or any government or semi-government bodies, whether state or central, whether in India or abroad (hereinafter referred to as “**the Lender**”) for borrowing funds on such terms as may be mutually agreed between the Company and the Lender;

**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 is hereby authorised to do all such acts, deeds and things as may be required and to finalise the terms and conditions and 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 sub-delegate all or any of their powers herein conferred to any Committee and/ or Director(s) and/ or Officer(s) of the Company, to give effect to this Resolution.”

**Item No. 6: TO APPROVE INCREASE IN LIMITS FOR CREATION OF CHARGE ON THE ASSETS OF THE COMPANY UPTO AN AMOUNT OF RS.1,25,000 CRORES TO SECURE ITS BORROWINGS**

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

“**RESOLVED THAT** in supersession of all the resolutions passed earlier in this regard, the consent of the members of the Company be and is hereby accorded under Sections 180(1)(a) and 180(1)(c) and all other

applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof), to the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution) to create such encumbrances, charges, mortgages and hypothecations in addition to the existing encumbrances, charges, mortgages and hypothecations created by the Company, on such movable and immovable properties and/ or assets of the Company, both present and future, and in such manner as deemed fit, in favour of the lenders/ creditors of the Company (including but not limited to bank(s), financial institution(s), investing agencies, trustees for the holders of debentures/ bonds/ other debt 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., to secure such loans, facility, issue of debentures/ bonds (whether partly/ fully convertible or non-convertible), issue of market linked securities, or any other form of debt availed (hereinafter collectively referred to as “**Loans**”) provided that the total amount of Loans for which the charge is to be created, shall not, at any time exceed Rs. 1,25,000 Crores (Rupees One Lakh Twenty-Five Thousand 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 authorised to negotiate, finalize and execute with the lender(s)/ trustees/ persons, such documents/ agreements/ undertakings/ indemnities/ guarantees as may be required for creating the aforesaid encumbrances, mortgages, hypothecations, charges in any other manner 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 sub-delegate all or any of their powers herein conferred to any Committee and/ or Director(s) and/ or Officer(s) of the Company, to give effect to this Resolution.”

**Item No. 7: TO APPROVE THE RE-APPOINTMENT OF DR. AMLA SAMANTA (DIN: 00758883) AS AN INDEPENDENT DIRECTOR 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 the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder as amended (collectively referred to as the “**Companies Act**”), Regulation 17, Regulation 25(2A) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), relevant circulars issued by the Reserve Bank of India (“**RBI**”) from time to time, including any amendments, modifications, variations or re-enactments thereof, pursuant to the provisions of the articles of association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, Dr. Amla Samanta (DIN: 00758883), whose term of office as an Independent Director expiring on April 30, 2024 and who has provided her consent in form DIR - 2 for re-appointment as an Independent Director of the Company and submitted a declaration that she satisfies the criteria for appointment as an Independent Director under the Companies Act and SEBI Listing Regulations, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director and who is eligible for re-appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent (Non-Executive) Director of the Company for a period of 3 (three) consecutive years commencing from May 1, 2024 up to April 30, 2027 (both days inclusive) and that she shall not be liable to retire by rotation and that she will be entitled to sitting fees for attending Board and Committee meetings of the Company,



reimbursement of expenses for attending Board and Committee meetings as applicable and profit related commission;

**RESOLVED FURTHER THAT** the Board (which term shall include any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and/ or officer(s) of the Company to give effect to this resolution.”

**Item No. 8: TO APPROVE THE APPOINTMENT OF MR. JAYESH CHAKRAVARTHI (DIN: 08345495) AS AN INDEPENDENT DIRECTOR 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 the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder as amended (collectively referred to as the “**Companies Act**”), Regulation 17, Regulation 25(2A) and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), relevant circulars issued by the Reserve Bank of India (“**RBI**”) from time to time, including any amendments, modifications, variations or re-enactments thereof, pursuant to the provisions of the articles of association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, Mr. Jayesh Chakravarthi (DIN: 08345495), who has provided his consent in form DIR - 2 for appointment as an Independent Director of the Company and submitted a declaration that he satisfies the criteria for appointment as an Independent Director under the Companies Act and SEBI Listing Regulations, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent (Non-Executive) Director of the Company for a period of 3 (three) consecutive years commencing from January 25, 2024 up to January 24, 2027 (both days inclusive) and that he shall not be liable to retire by rotation and that he will be entitled to sitting fees for attending Board and Committee meetings of the Company, reimbursement of expenses for attending Board and Committee meetings as applicable, and profit related commission;

**RESOLVED FURTHER THAT** the Board (which term shall include any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and/ or officer(s) of the Company to give effect to this resolution.”

**By Order of the Board  
For HDB Financial Services Limited**

**Registered Office:**  
Radhika, 2<sup>nd</sup> Floor,  
Law Garden Road, Navrangpura,  
Ahmedabad -380009

**Sd/-  
Dipti Khandelwal  
(Company Secretary)  
Membership No.: F11340**

**Mumbai  
January 26, 2024**

**NOTES:**

1. The Explanatory Statements pursuant to Section 102 of the Act setting out material facts and reasons in respect of the special business under the Resolutions as set out above, are annexed hereto and forms part of this Notice.
2. The Board of Directors of the Company has appointed Mr. Mitesh Shah of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary, Mumbai, as the Scrutiniser, for the Postal Ballot to be conducted through remote e-voting in a fair and transparent manner.
3. In compliance with the MCA Circulars, the Notice is being sent by electronic mode only to those Members whose names appears in the Register of Members / List of Beneficial Owners maintained by the Company/ Depositories i.e. National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) respectively as at close of business hours on Friday, January 19, 2024, (“Cut-off date”) and whose e-mail addresses are registered with the Company / Depositories.

For Members who have not registered their e-mail addresses, please follow the instructions given under Note no. 10.

Members whose names appears in the Register of Members/ List of Beneficial Owners as on the Cut-off date are entitled to vote on the resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

Members may please note that, the Notice will also be available on the Company's website at [www.hdbfs.com](http://www.hdbfs.com) and on the website of NSDL <https://www.evoting.nsdl.com>.

4. As per the MCA Circulars, physical copies of the Notice, are not being sent to Members for this Postal Ballot. Members are requested to provide their assent or dissent through remote e-voting only.
5. In compliance with the MCA Circulars, Sections 108 and 110 of the Act and the Rules made thereunder, the Company is offering remote e-voting facility to seek approval of the Members of the Company for the resolutions contained in this Notice. For this purpose, the Company has engaged the services of NSDL for facilitating remote e-voting to enable the Members to cast their votes electronically. The instructions for remote e-voting are appended to this Notice under Note no. 11.
6. The voting period begins from 10:00 a.m. (IST) on Tuesday, January 30, 2024 and ends at 5:00 p.m. (IST) on Wednesday, February 28, 2024. During this period Members' of the Company, as on the cut-off date of Friday, January 19, 2024 may cast their vote electronically. Please note that once the vote on a resolution has been cast, Members cannot change it subsequently. The e-voting module shall be disabled by NSDL for voting thereafter.
7. Voting rights of the Members shall be reckoned in proportion to the paid-up equity shares registered in the name of the member / beneficial owner as on the Cut-off date.
8. Voting rights in the Postal Ballot Form cannot be exercised by a proxy.
9. The relevant documents referred to in this Notice and Explanatory Statement shall be available for inspection electronically by the Members until 5:00 p.m. (IST) of the last date of remote e-voting of this Postal Ballot i.e. Wednesday, February 28 2024. Members who wish to inspect the documents are requested to send an email to [compliance@hdbfs.com](mailto:compliance@hdbfs.com) mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.

**10. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

The Members who have not yet registered their email address are requested to follow below process for procuring user id and password:

- (i) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 11 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
- (ii) Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.

The Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

- (i) Pursuant to the MCA Circulars, the Members who have not registered their email address and in consequence the Notice could not be serviced to them may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) and follow the registration process as guided thereafter. Post successful registration of the email, the Members would get soft copy of the Notice and the procedure for remote e-voting along with the User ID and Password to enable e-voting for this Postal Ballot. In case of any queries, the Members may write to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- (ii) It is clarified that for permanent registration of email address, the Members are however requested to register their email address, in respect of demat holdings with the Depository through the concerned Depository Participants.

**11. Instructions for Voting through electronic means ('remote e-voting'):**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 are mentioned below:**

**A. Login method for remote e-voting for Individual Members holding securities in demat mode.**

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of Members	Login Method
<p>Individual Members holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Members holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> </ol>

Type of Members	Login Method
	<p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Members (holding securities in demat mode) logging through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID / Forgot Password option available at respective websites.

**Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000.
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33

**B. Login method for Members other than Individual Members holding securities in demat mode**

How to Log-in to NSDL e-voting website?

- 1) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- 2) Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders / Member” section.
- 3) A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
- 4) Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically

5) Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL)</b>	<b>Your User ID is:</b>
A) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your User ID is 12*****

6) Your password details are given below:

- a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email address is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email address. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. In case you have not registered your email address, please follow procedure with respect to registration of email addresses as mentioned in Note no. 10 of this Notice.

7) If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) If you are still unable to get the password by aforesaid option, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number, your PAN, your name and your registered address, etc.
- c) Members can also use the one-time password (OTP) based login for casting the votes on the e-voting system of NSDL.

8) After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

9) Now, you will have to click on "Login" button.

10) After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

2. Select the EVEN for the Company which is 127647.
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those Members whose email address are not registered with the depositories for procuring user ID and password and registration of email address for e-voting for the resolutions set out in this notice:**

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [compliance@hdbfs.com](mailto:compliance@hdbfs.com). If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. Login method for e-voting for Individual Members holding securities in demat mode.
2. Alternatively, Members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user ID and password for e-voting by providing above mentioned documents.

**General Guidelines for Members:**

1. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to [mitesh@mishah.com](mailto:mitesh@mishah.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Members and e-voting user manual for Members available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com)

4. In case of any other queries, Members can contact: M/s. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, Tel No: +91 22 49186000, Fax No: +91 22 49186060, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
  
12. The Scrutiniser shall submit a consolidated report of the total votes cast in favour or against, if any, on each of the resolutions set out in this Notice, not later than three days of conclusion of the Postal Ballot to the Chairman. The result of the voting will be announced within three days after the conclusion of the Postal Ballot at the Company's website at [www.hdbfs.com](http://www.hdbfs.com). The resolutions, if assented by the requisite majority, shall be deemed to be passed on the last date specified for e-voting, in terms of the Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 1

The Company has been raising funds by offer and/or invite for issuing Redeemable Non-Convertible Debentures, secured or unsecured, fixed rate, floating rate or market/ benchmark linked and/or any other hybrid instruments (not in the nature of equity shares) including but not limited to Subordinated Bonds (classified as Tier II capital under the provisions of the RBI Master Directions) on private placement basis, from time to time.

In terms of Section 71 which deals with the issue of debentures read with Section 42 of the Companies Act, 2013, which deals with the offer or invitation for subscription of Subordinated Bonds of a company on private placement basis read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make private placement of its Subordinated Bonds only after receipt of prior approval of its shareholders by way of a Special Resolution. The Companies (Prospectus and Allotment of Securities) Rules, 2014 further provides that the said Special Resolution must be passed in respect of all offers/invitations for the Subordinated Bonds to be issued during a year and such a Special Resolution is required to be passed every year.

Accordingly, the shareholders at the 16<sup>th</sup> Annual General Meeting held on June 30, 2023 had accorded their approval to the Company for issuance of non-convertible debentures and/or other instruments on private placement basis up to a limit of Rs. 31,547.22 Crores (Rupees Thirty-One Thousand Five Hundred Forty-Seven Crores and Twenty-Two Lakhs Only) out of which a limit of Rs. 500 Crores (Rupees Five Hundred Crores Only) was allocated for issuance of subordinated bonds. The Company had issued Subordinated Bonds amounting to Rs. 500 Crores (Rupees Five Hundred Crores only).

Considering the growing nature of the business, additional capital is imperative. Further, Pursuant to RBI's Circular No. RBI/2023-24/85 DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023, the consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/SHG loans, shall attract a risk weight of 125% instead of 100%. Hence, additional capital is required to maintain a healthy Capital Risk Adequacy Ratio. The Company proposes to issue subordinated bonds (classified as Tier II capital under the provisions of the RBI Master Direction) for an amount aggregating up to Rs. 3,000 Crores (Rupees Three Thousand Crores only) in one or more tranches ("**Subordinated Bonds**"). The Subordinated Bonds proposed to be issued by the Company will be issued for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions.

Further, the Board at its meeting held on January 13, 2024, subject to the approval of the Shareholders, had accorded its consent to borrow funds from time to time by issue and allotment of subordinated tier II bonds, in one or more tranches, on private placement basis, upto an aggregate amount of up to Rs. 3,000 Crores (Rupees Three Thousand Crores Only) and within the overall borrowing limit as approved by the members of the Company pursuant to the resolution passed under Section 180(1)(c) of the Companies Act, 2013 from time to time.

Pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 certain disclosures are required to be made in the explanatory statement annexed to the Notice for shareholders' approval under Section 42 of the Companies Act, 2013.

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out herein below:

- a) Particulars of the offer including date of passing of board resolution: This Special Resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities)

Rules, 2014 for the issuance and allotment of Subordinated Bonds, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time;

- b) Kinds of securities offered and price at which security is being offered: This Special Resolution is restricted to the issuance and allotment of Subordinated Bonds, with the terms of each issuance being determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time, for each issuance;
- c) Basis or justification for the price (including premium, if any) at which offer or invitation is being made: Not applicable at this stage. This will be determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time, for each issuance;
- d) Name and address of valuer who performed valuation: Not applicable as the issuance of the Subordinated Bonds will be in the nature of non-convertible debentures and at a fixed face value decided up-front by the Board in accordance with the provisions of applicable law;
- e) Amount which the Company intends to raise by way of such securities: As may be determined by the Board from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of an additional limit of up to Rs. 3,000 Crores (Rupees Three Thousand Crores Only);
- f) Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of Subordinated Bonds, from time to time, for a period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time and shall be specified in the relevant transaction documents.

Accordingly, the approval of the Members is being sought for authorising the Board to issue Subordinated Bonds, for an additional amount of Rs. 3,000 Crores (Rupees Three Thousand Crores Only) on a private placement basis during a period of one year from the date of passing the Resolution.

The Board accordingly, recommends the passing of the Special Resolution as set out at Item No. 1 of this Notice, for the approval of the Members.

None of the Directors and / or Key Managerial Personnel and / or their relatives are in any way concerned or interested, financially or otherwise in the said resolution, except to the extent of Subordinated Bonds that may be subscribed by companies/firms in which they are interested.

## **Item No. 2**

The Company has been raising funds by issuing, secured or unsecured, fixed rate, floating rate or market/bench mark linked and/or any other hybrid instruments (not in the nature of equity shares) including but not limited to perpetual debt instruments (classified as Tier I capital under the provisions of the RBI Master Direction) on private placement basis, from time to time.

In terms of Section 71 which deals with the issue of debentures read with Section 42 of the Companies Act, 2013, which deals with the offer or invitation for subscription of perpetual debt instruments of a company on private placement basis read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make private placement of its perpetual debt instruments only after receipt of prior approval of its shareholders by way of a special resolution. The Companies (Prospectus and Allotment of Securities) Rules, 2014 further provides that the said special resolution must be passed in respect of all offers/invitations for the perpetual debt instruments to be issued during a year and such a special resolution is required to be passed every year.

Accordingly, the shareholders at the 16<sup>th</sup> Annual General Meeting held on June 30, 2023 had accorded their approval to the Company for issuance of non-convertible debentures and/or other instruments up to a limit of Rs. 31,547.22 Crores (Rupees Thirty-One Thousand Five Hundred Forty-Seven Crores and Twenty-Two Lakhs Only) out of which a limit of Rs. 350 Crores (Rupees Three Hundred and Fifty Crores only) was allocated for issuance of perpetual debt instruments. The Company has already exhausted the limit for perpetual debt instruments of Rs. 350 Crores (Rupees Three Hundred and Fifty Crores only) during the quarter ended December 31, 2023.

Considering the growing nature of the business, additional capital is imperative. Further, Pursuant to RBI's Circular No. RBI/2023-24/85 DOR.STR.REC.57/21.06.001/2023-24 dated November 16, 2023, the consumer credit exposure of NBFCs (outstanding as well as new) categorised as retail loans, excluding housing loans, educational loans, vehicle loans, loans against gold jewellery and microfinance/SHG loans, shall attract a risk weight of 125% instead of 100%. Hence, additional capital is required to maintain a healthy Capital Risk Adequacy Ratio. The Company proposes to issue perpetual debt instruments (classified as Tier I capital under the provisions of the RBI Master Direction) for an amount aggregating up to Rs. 500 Crores (Rupees Five Hundred Crores only), in one or more tranches (hereinafter referred to as "**Perpetual Debt Instruments**"). The Perpetual Debt Instruments proposed to be issued by the Company will be issued for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions.

Further, the Board at its meeting held on January 13, 2024, subject to the approval of the Shareholders, had accorded its consent to borrow funds from time to time by issue and allotment of perpetual debt instruments, in one or more tranches, on private placement basis, upto an aggregate amount of up Rs. 500 Crores (Rupees Five Hundred Crores Only) and within the overall borrowing limit as approved by the members of the Company pursuant to the resolution passed under Section 180(1)(c) of the Companies Act, 2013 from time to time.

Pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 certain disclosures are required to be made in the explanatory statement annexed to the Notice for shareholders' approval under Section 42 of the Companies Act, 2013.

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out herein below:

- a) Particulars of the offer including date of passing of board resolution: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of the Perpetual Debt Instruments, from time to time, for the period of 1(one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time;
- b) Kinds of securities offered and price at which security is being offered: This special resolution is restricted to the private placement issuance of the Perpetual Debt Instruments, with the terms of each issuance being determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time, for each issuance;

- c) Basis or justification for the price (including premium, if any) at which offer or invitation is being made: Not applicable at this stage. This will be determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time, for each issuance;
- d) Name and address of valuer who performed valuation: Not applicable as the issuance of the Perpetual Debt Instruments will be in the nature of non-convertible debentures and at a fixed face value decided up-front by the Board in accordance with the provisions of applicable law;
- e) Amount which the Company intends to raise by way of such securities: As may be determined by the Board from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of an additional limit of up to Rs. 500 Crores (Rupees Five Hundred Crores Only);
- f) Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of the Perpetual Debt Instruments, from time to time, for a period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board (including any Authorised Signatory authorised by the Board or any committee duly authorised by the Board thereof), from time to time and shall be specified in the relevant transaction documents.

Accordingly, the approval of the Members is being sought for authorising the Board to issue the Perpetual Debt Instruments for an additional amount of up to Rs. 500 Crores (Rupees Five Hundred Crores Only) on a private placement basis during a period of one year from the date of passing of the resolution.

The Board, accordingly, recommends the passing of the Special Resolution as set out at Item No. 2 of this Notice, for the approval of the Members.

None of the Directors and / or Key Managerial Personnel and / or their relatives are in any way concerned or interested, financially or otherwise in the said resolution, except to the extent of the Perpetual Debt Instruments that may be subscribed by companies/firms in which they are interested.

### **Item No. 3**

The provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), mandates prior approval of Members of the Company for all material related party transactions and subsequent material modifications as defined by the Audit Committee even if such transactions are in the ordinary course of the business of the concerned Company and at an arm's length basis.

A transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) 10% of the annual consolidated turnover as per the last audited financial statements of the Company or Rs. 1,000 Crores, whichever is lower. The annual consolidated turnover of the Company for the financial year 2022-23 was Rs. 12,402.88 Crores.

Accordingly, the Company is required to comply with Regulation 23 of the SEBI Listing Regulations with respect to material related party transactions proposed to be undertaken during financial year 2024-25.

Details of the proposed transactions with HDFC Bank Limited, being the holding company and a related party of the Company, which are likely to exceed the above-mentioned materiality threshold, are as follows:

### **Funded and non-funded facilities**

The Company borrows money from various banks to meet the funding requirements of the Company and/or for general corporate purpose. Funded and non-funded facilities are availed by the Company in ordinary course of business from various banks on the basis of sanctioned amount and agreement entered with various banks, including HDFC Bank in accordance with the policies of the Company uniformly applicable for all borrowing done by the Company. Type of facility, terms, end-use and tenure of the transaction, in each case, depends on the funding requirements of the Company and the prevailing market rates. The value of transactions proposed in financial year 2024-25 would be up to Rs. 18,000 Crores i.e. approx. 145.13% of annual consolidated turnover of the Company for the financial year 2022-23. The facilities are availed by the Company on the basis of competitive rates received for similar type of loans from other banks at that point in time. The interest payment and fee payment are consequential to the transactions originating out of principal transactions in the form of loan, guarantees, cash credit etc. Therefore, the quantum of such consequential transactions depends on the value of the principal transaction. HDFC Bank is one of the largest lenders in India and it is in the interest of the Company to have HDFC Bank as one of the lenders to ensure high availability of resources. The transactions are undertaken to meet the funding requirements of the Company in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business and therefore, in the interest of the Company.

### **Assignment of Loan/ Securitisation**

The Company may undertake to sell, assign assets including receivables / book debts of the Company in favour of banks/ financial institutions, other investing agencies and trustees for the holders of the debentures/ bonds/pass through certificates/ security receipts and other instruments in accordance with RBI regulations and policies of the Company. The Company may undertake securitisation / loan assignment transactions and other transactions with HDFC Bank. HDFC Bank is one of the largest Banks in India and exposure to HDFC Bank along with other lenders provides additional leverage to the Company to borrow from multiple sources. The Company may create fixed deposits with HDFC Bank for the purpose of securitisation/assignment transaction at the reckoner rates published by the HDFC Bank. The value of transactions proposed in financial year 2024-25 would be up to Rs. 5,000 Crores i.e. approx. 40.31% of annual consolidated turnover of the Company for the financial year 2022-23. The Company benefits from the securitisation / loan assignment transactions by raising funds at a very competitive rates and is therefore, in the interest of the Company.

### **Issuance of debt securities**

The Company, in the ordinary course of its business, raises funds by way of issuance of debt securities depending upon the prevalent market conditions, cost of funds, tenor etc. through private placement in accordance with policies of the Company. The investment in Non-Convertible Debenture of the Company happens through Electronic Bidding Platform of Stock Exchanges as per the prescribed SEBI norms. The HDFC Bank may act as an arranger/syndicate banker for such issuances, and may also invest in the debt securities issued by the Company to the extent permitted by the applicable laws and regulations. The issuance would be made at the terms uniformly applicable to all investors (including HDFC Bank). The interest payment and arranger fee are consequential to the principal transactions and would be in accordance with the terms of issue uniformly applicable to all investors/arrangers. This is in furtherance of the fund raising activities of the Company and in the interest of the Company. The value of transactions proposed in financial year 2024-25 would be up to Rs. 18,000 Crores i.e. approx. 145.13% of annual consolidated turnover of the Company for the financial year 2022-23.

### **Providing sales/ back-office support services and collection services for fees**

The Company provides sales/ back office support services and collection services such as forms processing, and document verification, finance, and accounting operations and processing support to HDFC Bank. The Company has a contract with the HDFC Bank for providing back office services, sales support and collection services. This is a specialised service provided by the Company to HDFC Bank based on expertise developed over many years (including hiring of skilled staff) and helps maintain its superior knowhow on the back office services, sales support service and collection services. Therefore, the transaction is in the interest of the Company. The value of transactions proposed in financial year 2024-25 would be up to Rs. 4,500 Crores i.e. approx. 36.28% of annual consolidated turnover of the Company for the financial year 2022-23.

### **Placing Fixed Deposits and receipt of interest on Fixed Deposits**

The Company invests excess funds in fixed deposits as a liquidity management tool with various banks including HDFC Bank. The fixed deposits are created as per the reckoner rates published by the HDFC Bank. Since, the Company places the excess funds for short term and long term benefit at the best rates available, this transaction is in interest of the Company. The value of transactions proposed in financial year 2024-25 would be up to Rs. 2,000 Crores i.e. approx. 16.13% of annual consolidated turnover of the Company for the financial year 2022-23. The interest on fixed deposits shall be as per banks pricing grid prevailing from time to time and hence the amounts cannot be estimated.

### **Maintaining Current Accounts with HDFC Bank and payment of service charges for banking transactions**

The Company maintains current account with various banks including HDFC Bank for regular business activities of the Company. As the current accounts are maintained by the Company with HDFC Bank for various regular business activities of the Company such as disbursements, collection, repayment of loans, interest, salary, vendor payments, etc., the value of the transaction cannot be ascertained as the quantum of the transactions cannot be determined by the Company. Banking charges are levied by HDFC Bank in relation to the account maintained and banking services availed, basis standard terms and conditions as offered by HDFC Bank to its customers. These transactions were regular business transactions of Company. Therefore, the transactions were in the interest of the Company.

### **Other transactions**

There are other transactions/ arrangements with HDFC Bank inter-alia in the nature of fees, commission, brokerage, reimbursements, cash management services, Bharat Bill Payment System services any other income/expenses derivatives transactions, sale/purchase of government & non-government securities and other services such as depository participant, custodian services, investment banking related services etc. in furtherance towards the ordinary course of business of the Company.

All the aforesaid transactions are in furtherance of the business activities and are in accordance with the applicable laws, therefore, in the interest of the Company.

In the financial years 2024-25, the aforementioned transactions, individually or in aggregate may cross the applicable materiality thresholds under Regulation 23 of the SEBI Listing Regulations. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for grant of authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for all these arrangements / contracts / agreements/ transactions to be undertaken (whether individual transaction or transactions taken together or series of transactions or otherwise) with HDFC Bank being the holding company and a related party of the Company, whether by way of continuation(s) or

extension(s) or renewal(s) or modification(s) of earlier arrangements / contracts / agreements/ transactions or as fresh and independent transaction (s) or otherwise, in the financial year 2024-25. The above transactions are in the ordinary course of business of the Company and on an arm's length basis.

The Audit Committee of the Company has on the basis of the relevant details provided by the management, as required under the law, reviewed and granted approval for the related party transactions proposed to be entered into by the Company with HDFC Bank during the financial year 2024-25 including as stated in the resolution and explanatory statement and has also noted that the said transactions with HDFC Bank are on arm's length basis and in the ordinary course of business of the Company.

Further, the Board at its meeting held on January 13, 2024, subject to the approval of the Shareholders, has approved material related party transactions proposed to be undertaken during financial year 2024-25 with HDFC Bank Limited.

Accordingly, the Board has considered the proposal and recommends passing of the resolution contained in Item No. 3 of the Notice by way of an ordinary resolution.

Any subsequent 'material modification' in the proposed transactions, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions' will be placed before the Shareholders for approval, in terms of Regulation 23(4) of the SEBI Listing Regulations.

Save and except for the shareholding interest, if any, held by them, none of the Directors and / or Key Managerial Personnel of the Company and / or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolutions.

The Members may please note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolution under this Item No. 3.

#### **Item No. 4**

The provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), mandates prior approval of Members of the Company for all material related party transactions and subsequent material modifications as defined by the Audit Committee even if such transactions are in the ordinary course of the business of the concerned Company and at an arm's length basis.

A transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) 10% of the annual consolidated turnover as per the last audited financial statements of the Company or Rs. 1,000 Crores, whichever is lower. The annual consolidated turnover of the Company for the financial year 2022-23 was Rs. 12,402.88 Crores.

Accordingly, the Company is required to comply with Regulation 23 of the SEBI Listing Regulations with respect to material related party transactions proposed to be undertaken during financial year 2024-25.

Details of the proposed transactions with HDFC Life, being the Common Group Company and a related party of the Company, which are likely to exceed the above-mentioned materiality threshold, are as follows:

#### **Issuance of debt securities**

The Company, in the ordinary course of its business, raises funds by way of issuance of debt securities depending upon the prevalent market conditions, cost of funds, tenor etc. through private placement in

accordance with policies of the Company. The investment in Non-Convertible Debentures/Bonds of the Company happens through Electronic Bidding Platform of Stock Exchanges as per the prescribed SEBI norms. The HDFC Life may invest in the debt securities issued by the Company to the extent permitted by the applicable laws and regulations. The issuance would be made at the terms uniformly applicable to all investors (including HDFC Life). The interest payment is consequential to the principal transactions, as the case may be. This is in furtherance of the fund raising activities of the Company and in the interest of the Company. The value of transactions proposed in financial year 2024-25 would be up to Rs. 1,200 Crores i.e. approx. 9.68% of annual consolidated turnover of the Company for the financial year 2022-23.

### **Other transactions**

There were other transactions/ arrangements with HDFC Life *inter-alia* in the nature of providing corporate agency services and receiving commission income, availing of insurance services and payment of insurance expenses, reimbursements of expenses and payment and receipt of rent on the premises leased / sub-leased, in furtherance towards the ordinary course of business of the Company.

All the aforesaid transactions are in furtherance of the business activities and are in accordance with the applicable laws, therefore, in the interest of the Company.

In the financial year 2024-25, the aforementioned transactions, individually or in aggregate may cross the applicable materiality thresholds under Regulation 23 of the SEBI Listing Regulations. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for grant of authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for all these arrangements / contracts / agreements / transactions to be undertaken (whether individual transaction or transactions taken together or series of transactions or otherwise) with HDFC Life, being the Common Group Company and a related party of the Company, whether by way of continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangements / contracts / agreements/ transactions or as fresh and independent transaction (s) or otherwise, in the financial year 2024-25. The above transactions are in the ordinary course of business of the Company and on an arm's length basis.

The Audit Committee of the Company, on the basis of the relevant details provided by the management, as required under the law, reviewed and has granted approval for the related party transactions proposed to be entered into by the Company with HDFC Life during the financial year 2024-25 including as stated in the resolution and explanatory statement and has also noted that the said transactions with HDFC Life are on arm's length basis and in the ordinary course of business of the Company.

Further, the Board at its meeting held on January 13, 2024, subject to the approval of the Shareholders, has approved material related party transactions proposed to be undertaken during financial year 2024-25 with HDFC Life Insurance Company Limited.

Accordingly, the Board has considered the proposal and recommends passing of the resolution contained in Item No. 4 of the Notice by way of an ordinary resolution.

Any subsequent 'material modification' in the proposed transactions, as defined by the Audit Committee as a part of Company's 'Policy on Related Party Transactions' will be placed before the Shareholders for approval, in terms of Regulation 23(4) of the SEBI Listing Regulations.

Save and except for the shareholding interest, if any, held by them, none of the Directors and / or Key Managerial Personnel of the Company and / or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.



The Members may please note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolution under this Item No. 4.

#### **Item No. 5 & 6**

In terms of the provisions of Section 180(1)(c) and 180 (1)(a) of the Companies Act, 2013, the Members of the Company at the 13<sup>th</sup> Annual General Meeting held on June 30, 2020 had granted their approval by way of Special Resolution to the Board of Directors of the Company to borrow, from time to time, such sums of money from banks, financial institutions for an amount not exceeding Rs. 80,000 Crores (Rupees Eighty Thousand Crores 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 on December 31, 2023, the outstanding borrowings of the Company amounted to Rs. 67,005 Crores (Rupees Sixty-Seven Thousand Five Crores Only) and total amount of charge created stood at Rs. 70,957 Crores.

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 securities 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 of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings,

without the consent of the Members of the company 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 persons, firms, bodies corporate, banks, financial institutions, etc. and these borrowings are, inter-alia, secured by mortgage of immovable properties, hypothecation/pledge of movable properties, promissory notes and/or negative liens/pledges on the assets and properties of the Company coupled with power of attorney in favour of such lenders.

Considering the future business growth in the loan book of the Company and to meet the funding requirement of the business in the Company and in order to provide security to such loans by way of mortgage or creating charge on the assets of the Company, it is proposed to increase the borrowing limits of the Company to Rs. 1,25,000 Crores (Rupees One Lakh Twenty-Five Thousand Crores Only) 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 up to Rs. 1,25,000 Crores (Rupees One Lakh Twenty-Five Thousand Crores Only), resolution under item no. 6 is proposed to be passed as a Special Resolution.

In view of the aforesaid, the Board of Directors at its meeting held on January 13, 2024, has subject to the approval of Members, accorded their approval to increase borrowing limits of the Company and to create encumbrances, charges, mortgages and hypothecations on all or any of the assets of the Company as approved by the Members pursuant to Section 180(1)(c) and 180(1)(a) of the Act from time to time.

Accordingly, the approval of the Members is being sought by way of special resolution authorising the Board of Directors to borrow further sums of monies within an overall limit of 1,25,000 Crores (Rupees One Lakh Twenty-Five Thousand Crores Only) outstanding at any given point of time.

The Board recommends passing of the special resolutions as set out under item nos. 5 and 6 of this Notice for approval of the Members.

Save and except for the shareholding interest, if any, held by them, none of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in Item no 5 and 6.

#### **Item No. 7**

The Board of Directors of the Company, based on recommendation of Nomination and remuneration Committee Meeting, had approved the appointment of Dr. Amla Samanta as an Independent Director of the Company with effect from May 1, 2019. Her appointment was approved by the shareholders at its meeting held on June 21, 2019 for 5 (Five) consecutive years for a term up to April 30, 2024. The tenure of Dr. Amla Samanta is due to expire on April 30, 2024.

Further, Nomination and Remuneration Committee in its meeting held on January 22, 2024 had undertaken the due diligence process and based on the report of performance evaluation, recommended re-appointment of Dr. Amla Samanta as an Independent Director of the Company. The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, had approved the re-appointment of Dr. Amla Samanta as an Independent Director of the Company to hold office for a further period of three (3) years commencing from May 1, 2024 through circular resolution passed on January 26, 2024. Pursuant to the provisions of Section 149 of Companies Act, 2013 and pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Independent Director can be appointed for second term by passing a Special Resolution.

Company has received declaration from Dr. Amla Samanta to the effect that she fulfills all criteria for independence under section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and in the opinion of the Board of Directors of the Company, Dr. Amla Samanta is independent of the management of the Company and fulfills the conditions specified in the Companies Act, 2013, the rules made thereunder and SEBI Listing Regulations for re-appointment as an Independent Director. Further the Board of Directors of the Company is of the opinion that Dr. Amla Samanta is a person of integrity and has relevant experience and expertise to be re-appointed as an Independent Director of the Company. Dr. Amla Samanta satisfies the fit and proper criteria as prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Dr. Amla Samanta for re-appointment as an Independent Director of the Company.

#### **Brief Profile of Ms. Amla Samanta:**

Dr. Amla Samanta (DIN No. 00758883) is M.Sc., Ph.D., FDA Approval for testing of Drugs 1986 and C.C. Indian Bio-Informatics Organization, 2003. She has over 44 years of rich experience in medical profession. She has 28 years of rich experience in Banking and Finance. She was on the Board of Directors of HDFC Bank, she was also on the advisory board of Bank of America. She comes with rich experience in the Small & Medium Enterprise segment.

Additional Information of Director as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name of Director	Dr. Amla Samanta			
DIN	00758883			
Age	68 years			
A brief resume, Qualification(s), Experience and Nature of his expertise in specific functional areas, Recognition or awards	As mentioned in explanatory statement above			
Terms and conditions of appointment	Proposed to be re-appointed as an Independent Director of the Company for a period of 3 years effective from May 1, 2024 till April 30, 2027 and shall not be liable to retire by rotation			
Details of remuneration sought to be paid	N.A.			
Details of the remuneration last drawn by such person	N.A.			
Date of first appointment on the Board	May 01, 2019			
Shareholding in the Company	Nil			
Relationship with other Directors, Manager and other Key Managerial Personnel	None			
The number of Meetings of the Board attended during financial year 2022-23	6			
Other Directorships (excluding HDB Financial Services Limited)	1. HDFC Securities Limited 2. Samanta Movies Private Limited 3. Shakti Cine Studios Private Limited			
Membership / Chairmanship of Committees of other Board	<b>#</b>	<b>Name of Company</b>	<b>Name of Committee</b>	<b>Chairman / Member</b>
	1	HDFC Securities Limited	Nomination and Remuneration Committee	Chairperson
			Research Analyst Remuneration Committee	Chairperson
			Corporate Social Responsibility Committee	Member
			Audit Committee	Member
2	Samanta Movie Private Limited	-	-	
3	Shakti Cine Studios Private Limited	-	-	

Pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should ensure that the approval of the Members is obtained at the next general meeting or within a time period of three months from the date of appointment of Director, whichever is earlier.

Accordingly, the approval of the shareholders is now sought for the appointment of Dr. Amla Samanta as an Independent (Non-Executive) Director, not liable to retire by rotation, to hold office for a period of three (3) years, w.e.f. May 1, 2024 till April 30, 2027 (both days inclusive).

Copy of the letter of appointment of Dr. Amla Samanta containing the terms and conditions of appointment, is available for inspection.

The Board recommends the passing of the Special Resolution as set out at Item No. 7 of this Notice for the approval of the Members

Except Dr. Amla Samanta, being an appointee and her relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way financially or otherwise concerned or interested, in the said resolution.

**Item No. 8**

Nomination and Remuneration Committee in its meeting held on January 22, 2024 had undertaken the due diligence process and recommended appointment of Mr. Jayesh Chakravarthi as an Independent Director of the Company. The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, had approved the appointment of Mr. Jayesh Chakravarthi as an Independent Director of the Company to hold office for a period of three (3) years commencing from January 25, 2024 through Circular Resolution passed on January 26, 2024.

The Company has received declaration from Mr. Jayesh Chakravarthi to the effect that he fulfills all criteria for independence under section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and in the opinion of the Board of Directors of the Company, Mr. Jayesh Chakravarthi is independent of the management of the Company and fulfills the conditions specified in the Companies Act, 2013, the rules made thereunder and SEBI Listing Regulations for appointment as an Independent Director. Further the Board of Directors of the Company is of the opinion that Mr. Jayesh Chakravarthi is a person of integrity and has relevant experience and expertise to be appointed as an Independent Director of the Company. Mr. Jayesh Chakravarthi satisfies the fit and proper criteria as prescribed under the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Jayesh Chakravarthi for appointment as an Independent Director of the Company.

**Brief Profile of Mr. Jayesh Chakravarthi:**

Mr. Jayesh Chakravarthi holds Bachelor degree in Engineering from Bangalore University. He has done MBA in General Management from Jamnalal Bajaj Institute of Management Studies. He is former Member of Regional Council – NASSCOM, former Member of Bangalore Chamber of Industry & Commerce (BCIC) and former Board Member of STEP: a government sponsored tech incubator. He has over 36 years of experience in Information Technology. He has achieved leadership positions in managing technology projects, creating & managing technology practices and strategic planning & Change Management. He has worked with Wipro as a Regional Manager between 1987 - 1994, with Sun Microsystems as Director between 1994 – 2000, with MindTree Consulting as Vice President between 2000 – 2005 and with Fidelity Investments as SVP & Country Head — Technology between 2005 – 2018. He is CEO and co-founder of Recast Technologies Pvt Ltd.

Additional Information of Director as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name of Director	Mr. Jayesh Chakravarthi
DIN	08345495
Age	62 years
A brief resume, Qualification(s), Experience and Nature of his expertise in specific functional areas, Recognition or awards	As mentioned in explanatory statement above

Terms and conditions of appointment	Proposed to be appointed as an Independent Director of the Company for a period of 3 years effective from January 25, 2024 till January 24, 2027 and shall not liable to retire by rotation
Details of remuneration sought to be paid	N.A.
Details of the remuneration last drawn by such person (FY 2022-23)	N.A.
Date of first appointment on the Board	N.A.
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during financial year 2022-23	N.A.
Other Directorships (excluding HDB Financial Services Limited)	Recast Technologies Private Limited
Membership / Chairmanship of Committees of other	Nil

Pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should ensure that the approval of the Members is obtained at the next general meeting or within a time period of three months from the date of appointment of Director, whichever is earlier.

Accordingly, the approval of the shareholders is now sought for the appointment of Mr. Jayesh Chakravarthi as an Independent (Non-Executive) Director, not liable to retire by rotation, to hold office for a period of three (3) years, w.e.f. January 25, 2024 till January 24, 2027 (both days inclusive).

Copy of the letter of appointment of Mr. Jayesh Chakravarthi containing the terms and conditions of appointment, is available for inspection.

The Board recommends the passing of the Special Resolution as set out at Item No. 8 of this Notice for the approval of the Members.

Except Mr. Jayesh Chakravarthi, being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way financially or otherwise concerned or interested, in the said resolution.

**By Order of the Board  
For HDB Financial Services Limited**

**Registered Office:**  
Radhika, 2<sup>nd</sup> Floor,  
Law Garden Road, Navrangpura,  
Ahmedabad -380009

**Sd/-  
Dipti Khandelwal  
Company Secretary  
Membership No.: F11340**

**Mumbai  
January 26, 2024**