

HDB/SLC/2024/1268

September 20, 2024

To,
Listing Compliance Department
BSE Limited
P J Towers, Dalal Street,
Mumbai - 400 001

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai– 400051

Dear Sir / Madam,

Sub.: Notice of Postal Ballot

Please find enclosed herewith a copy of the Notice of Postal Ballot dated Friday, September 20, 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 sought through Postal Ballot inter-alia for following business:

1. Adoption of updated Articles of Association of the Company.
2. Amendment of the HDB Financial Services Limited - Employees Stock Option Scheme – 2014.
3. Amendment of the HDB Financial Services Limited - Employees Stock Option Scheme – 2017.
4. Amendment of the HDB Financial Services Limited - Employees Stock Option Scheme – 2022.
5. Initial Public Offer of the Equity Shares of the Company.
6. To approve appointment of Mr. Bhaskar Sharma (DIN:02871367) as an Independent (Non-Executive) Director of the Company.
7. To approve appointment of Mr. Jayant Gokhale (DIN:00190075) as an Independent (Non-Executive) 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, September 13, 2024, (the ‘Cut-off date’) and whose e-mail addresses are registered with the Company / Depositories.

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

Encl.: A/a



HDB Financial Services Limited

Corporate Identity Number: U65993GJ2007PLC051028

Registered Office: Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad - 380 009

Corporate Office: HDB House, Tukaram Sandam Marg, A-Subhash Road,
Vile Parle – (E), Mumbai – 400 057

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, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 (“**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: ADOPTION OF UPDATED ARTICLES OF ASSOCIATION 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 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, each as amended, and other applicable provisions, if any, and in order to align the Articles of Association of the Company (the “Articles of Association”) with the listing requirements of the Stock Exchanges where the Equity Shares of the Company are proposed to be listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the applicable provisions of the Securities and Exchange Board of India (Issue

of Capital and Disclosure Requirements) Regulations, 2018, as amended, Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, subject to the necessary approvals required, of the Registrar of Companies, Gujarat at Ahmedabad (“ROC”), and further subject to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by the ROC, and the Securities and Exchange Board of India and Stock Exchanges in connection with listing of equity shares, in accordance with the enabling provisions of the Memorandum and Articles of Association and subject to the applicable provisions of any other applicable law, the set of existing Articles of Association, as placed before the Shareholders of the Company be and is hereby substituted with the updated set of Articles of Association placed before the Shareholders of the Company and the same is hereby approved and adopted by the Members as Articles of Association, in total exclusion and substitution of the existing Articles of Association;

RESOLVED FURTHER THAT any of the Directors, Chief Financial Officer, Company Secretary of the Company, and such other persons as may be authorised by the Board of Directors of the Company be and are hereby severally authorised to issue certified true copies of this resolution and the same may be forwarded to concerned authorities for necessary action and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution including filing of necessary forms with the Registrar of Companies, Gujarat at Ahmedabad;

RESOLVED FURTHER THAT any of the Directors, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorized by the Company to certify a copy of this resolution and provide the same to all concerned parties and relevant statutory authorities, if any.”

ITEM NO. 2: AMENDMENT OF THE HDB FINANCIAL SERVICES LIMITED - EMPLOYEES STOCK OPTION SCHEME – 2014

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

“**RESOLVED THAT** pursuant to Section 62(1)(b) of the Companies Act, 2013 (the “**Act**”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rules**”) and other applicable provisions, if any, of the Act, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB & SE Regulations**”), and other applicable provisions for the time being in force and as may be modified from time to time, and other laws, rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred to as “**Applicable Laws**”), the Memorandum of Association and Articles of Association of HDB Financial Services Limited (“**Company**”), and subject to any other approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company {hereinafter referred to as the “**Board**”, which term shall include the Nomination and Remuneration Committee (“**NRC**”)}, the approval of the Members be and is hereby accorded to the amendments to the **HDB Financial Services Limited - Employees Stock Option Scheme – 2014 (“ESOS - 2014”)**, the salient features of which are furnished in the explanatory statement to this notice;

RESOLVED FURTHER THAT it is hereby noted that the amendments to the ESOS – 2014 are being carried out to meet the regulatory requirement in terms of the SEBI SBEB & SE Regulations once the Company is listed and to provide ease of administration of the options under the ESOS – 2014;

RESOLVED FURTHER THAT the proposed amendments to the ESOS – 2014 are not detrimental to the interests of the option holders;

RESOLVED FURTHER THAT the NRC be and are hereby authorized to amend the terms of the Employee Stock Option Plans formulated and adopted by the NRC pursuant to ESOS – 2014 in line with the amendments to the ESOS – 2014;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, each member of the NRC and Board be and is hereby severally authorized, on behalf of the Company, to do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable.”

ITEM NO. 3: AMENDMENT OF THE HDB FINANCIAL SERVICES LIMITED - EMPLOYEES STOCK OPTION SCHEME – 2017

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

“**RESOLVED THAT** pursuant to Section 62(1)(b) of the Companies Act, 2013 (the “**Act**”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rules**”) and other applicable provisions, if any, of the Act, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB & SE Regulations**”), and other applicable provisions for the time being in force and as may be modified from time to time, and other laws, rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred to as “**Applicable Laws**”), the Memorandum of Association and Articles of Association of HDB Financial Services Limited (“**Company**”), and subject to any other approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company {hereinafter referred to as the “**Board**”, which term shall include the Nomination and Remuneration Committee (“**NRC**”)}, the approval of the Members be and is hereby accorded to the amendments to the **HDB Financial Services Limited - Employees Stock Option Scheme – 2017** (“**ESOS – 2017**”), the salient features of which are furnished in the explanatory statement to this notice;

RESOLVED FURTHER THAT it is hereby noted that the amendments to the ESOS – 2017 are being carried out to meet the regulatory requirement in terms of the SEBI SBEB & SE Regulations once the Company is listed and to provide ease of administration of the options under the ESOS – 2017;

RESOLVED FURTHER THAT the proposed amendments to the ESOS – 2017 are not detrimental to the interests of the option holders;

RESOLVED FURTHER THAT the NRC be and are hereby authorized to amend the terms of the Employee Stock Option Plans formulated and adopted by the NRC pursuant to ESOS – 2017 in line with the amendments to the ESOS – 2017;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, each member of the NRC and Board be and is hereby severally authorized, on behalf of the Company, to do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable.”

ITEM NO. 4: AMENDMENT OF THE HDB FINANCIAL SERVICES LIMITED - EMPLOYEES STOCK OPTION SCHEME – 2022

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

“RESOLVED THAT pursuant to Section 62(1)(b) of the Companies Act, 2013 (the **“Act”**) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (**“Rules”**) and other applicable provisions, if any, of the Act, and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SEBI SBEB & SE Regulations”**), and other applicable provisions for the time being in force and as may be modified from time to time, and other laws, rules, regulations, circulars and guidelines of any / various statutory / regulatory authority(ies) that are or may become applicable (collectively referred to as **“Applicable Laws”**), the Memorandum of Association and Articles of Association of HDB Financial Services Limited (**“Company”**), and subject to any other approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company {hereinafter referred to as the **“Board”**, which term shall include the nomination and remuneration committee (**“NRC”**)}, the approval of the members be and is hereby accorded to the amendments to the **HDB Financial Services Limited - Employees Stock Option Scheme - 2022 (“ESOS - 2022”)**, the salient features of which are furnished in the explanatory statement to this notice;

RESOLVED FURTHER THAT it is hereby noted that the amendments to the ESOS – 2022 are being carried out to meet the regulatory requirement in terms of the SEBI SBEB & SE Regulations once the Company is listed and to provide ease of administration of the options under the ESOS - 2022;

RESOLVED FURTHER THAT the proposed amendments to the ESOS – 2022 are not detrimental to the interests of the option holders;

RESOLVED FURTHER THAT the NRC be and are hereby authorized to amend the terms of the Employee Stock Option Plans formulated and adopted by the NRC pursuant to ESOS – 2022 in line with the amendments to the ESOS - 2022;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, each member of the NRC and Board be and is hereby severally authorized, on behalf of the Company, to do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable.”

ITEM NO. 5: INITIAL PUBLIC OFFER OF EQUITY SHARES 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 23, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, and the rules and regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (the **“Companies Act”**), and in accordance with and subject to the provisions of the Securities Contracts (Regulation) Act, 1956 (**“SCRA”**), and the rules made thereunder, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended (**“SCRR”**), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the **“SEBI Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**), the Foreign Exchange Management Act, 1999, as amended (the **“FEMA”**) and the rules and regulations made thereunder including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended,

and any other applicable rules, regulations, guidelines, clarifications, press notes, circulars and notifications issued by the Government of India (“**Gol**”), the Department for Promotion of Industry and Internal Trade (“**DPIIT**”), the Reserve Bank of India (“**RBI**”), the Securities and Exchange Board of India (“**SEBI**”) and any other applicable laws, rules and regulations, in India or outside India (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) (collectively, the “**Applicable Laws**”), and in accordance with the provisions of the Memorandum of Association and the Articles of Association of the Company and the uniform listing agreements to be entered into between the Company and the respective Stock Exchanges where the Equity Shares are proposed to be listed (the “**Stock Exchanges**”), and subject to any approvals, consents, permissions and sanctions as may be required from the Government of India (“**Gol**”), the Registrar of Companies, Gujarat at Ahmedabad (“**RoC**”), the SEBI, the RBI and all other appropriate Statutory Authorities and Departments (collectively, the “**Regulatory Authorities**”), and subject to such governmental and regulatory conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors (hereinafter referred to as the “**Board**” which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution), the consent and approval of the Shareholders be and is hereby accorded for an Initial Public Offering (“**IPO**”) of Equity Shares of face value of ₹ 10 each of the Company (the “**Equity Shares**”) which may include a fresh issue of Equity Shares (the “**Fresh Issue**”) and an Offer for Sale of Equity Shares by certain Shareholders of the Company (the “**Selling Shareholders**”) (the “**Offer for Sale**” and together with the Fresh Issue, the “**Offer**”), for cash either at par or premium and to create, issue, offer and allot such number of Equity Shares such that the amount being raised pursuant to the Fresh Issue aggregates up to ₹ 2,500 Crore (with an option to the Company to retain an over-subscription to the extent of 1% of the net Offer, for the purpose of rounding off to the nearest integer to make allotment while finalizing the basis of allotment in consultation with the Designated Stock Exchange), at a price to be determined, by the Company in consultation with the Book Running Lead Managers (“**BRLMs**”), through the book building process in terms of the SEBI Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as permitted under Applicable Laws and as may be fixed and determined by the Company in consultation with the BRLMs in accordance with the SEBI Regulations, out of the Authorized Share Capital of the Company to any category of person or persons as permitted under Applicable Laws, who may or may not be the Shareholder(s) of the Company as the Board may, decide, including Anchor Investors, if any, or Qualified Institutional Buyers, each as defined under the SEBI Regulations, one or more of the members of the Company, eligible employees (through a reservation or otherwise), Hindu Undivided Families, registered Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, registered Alternative Investment Funds, Venture Capital Funds, Foreign Venture Capital Investors, Non-Resident Indians, State Industrial Development Corporations, Insurance Companies, Provident Funds with minimum corpus of twenty five crore rupees, Pension Funds with minimum corpus of twenty five crore rupees registered with the Pension Fund Regulatory and Development Authority, National Investment Fund, Insurance Funds set up by Army, Navy, or Air force of the Union of India, Insurance Funds set up and managed by the Department of Posts, India, Trusts/Societies registered under the Societies Registration Act, 1860, as amended, Development Financial Institutions, Systemically Important Non-Banking Financial Companies, Indian Mutual Funds, Indian Public, Bodies Corporate, Companies (Private or Public) or other entities (whether incorporated or not), authorities, and to such other persons including high net worth Individuals, Retail Individual bidders or other entities, in one or more combinations thereof and/or any other category of investors as may be permitted to invest under Applicable Laws by way of the Offer in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer and on such terms and conditions as may be finalised by the Board in consultation with the BRLMs through an Offer Document, Prospectus and/or an Offering Memorandum, as required, and that the Board in consultation with the BRLMs may finalise all matters incidental thereto as it may in its absolute discretion think fit;

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to make available for allocation a portion of the Offer to any category(ies) of persons permitted under Applicable Laws,

including without limitation, eligible employees and eligible shareholders (the “**Reservation**”) or to provide a discount to the Offer price to retail individual bidders or eligible employees or eligible shareholders (the “**Discount**”), at the discretion of the Board; and to take any and all actions in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing;

RESOLVED FURTHER THAT in accordance with the provisions of Sections 23, 62(1)(c), 42 and any other applicable provisions, if any, of the Companies Act, 2013, and subject to such further corporate and other approvals as may be required, in-principle approval of the Shareholders is hereby accorded to allot Equity Shares for such amount as may be determined by the Board and within the limits prescribed under Applicable Laws, to certain investors prior to filing of the Red Herring Prospectus (“**Pre-IPO Placement**”), at such other price as the Board may, determine, in consultation with the BRLMs, Underwriters, Placement Agents and / or other advisors, in light of the then prevailing market conditions and in accordance with the Companies Act, 2013, the SEBI Regulations and other applicable laws, regulations, policies or guidelines. In the event of happening of Pre-IPO Placement, the size of the Fresh Issue would be reduced to the extent of Equity Shares issued under Pre-IPO Placement subject to the Offer satisfying the minimum issue size requirements under the **SCRR**;

RESOLVED FURTHER THAT, the Board may invite the existing Shareholders of the Company to participate in the Offer by making an Offer for Sale in relation to such number of Equity Shares held by them, and which are eligible for the Offer for Sale in accordance with the SEBI Regulations, as the Board may determine in consultation with the BRLMs, subject to the receipt of consent of SEBI, GoI, RBI, the RoC and/or such other approvals, permissions and sanctions of all other concerned statutory authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, at a price to be determined by the book building process in terms of the SEBI Regulations, for cash at such premium per share as may be fixed and determined by the Company in consultation with the BRLMs, to such category of persons as may be permitted or in accordance with the SEBI Regulations or other Applicable Laws, if any, as may be prevailing at that time and in such manner as may be determined by the Board in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer;

RESOLVED FURTHER THAT the Equity Shares issued or transferred pursuant to the Offer shall be listed on one or more recognized stock exchanges in India;

RESOLVED FURTHER THAT the Equity Shares so issued, allotted or transferred under the Offer (including any Reservation or Green Shoe Option) shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank *pari-passu* in all respects with the existing Equity Shares of the Company including rights in respect of dividend;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any issue, transfer and allotment of Equity Shares pursuant to the Offer, the Board, or any Committee thereof, in consultation with the BRLMs, may determine the terms of the Offer including the class of investors to whom the Equity Shares are to be allotted or transferred, the number of Equity Shares to be allotted or transferred, Offer price, Premium amount, Discount (as allowed under Applicable Laws), listing on one or more Stock Exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and to negotiate, finalize and execute such deeds, documents agreements and any amendment thereto, as it may, in its absolute discretion, deem necessary, proper or desirable including arrangements with BRLMs, underwriters, escrow

agents, legal advisors, etc., to approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the Offer, transfer and allotment of the Equity Shares, and utilization of the Offer proceeds, if applicable and such other activities as may be necessary in relation to the Offer and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as it may, in its absolute discretion, deem fit and proper in the best interest of the Company and the Offer, without requiring any further approval of the Shareholders, except as required under law, and that all or any of the powers conferred on the Board pursuant to these resolutions may be exercised by the Board or such committee thereof as the Board may constitute in its behalf;

RESOLVED FURTHER THAT subject to compliance with Applicable Laws such Equity Shares as are not subscribed may be disposed of by the Board in consultation with the BRLMs to such persons and in such manner and on such terms as the Board in its absolute discretion thinks most beneficial to the Company including offering or placing them with Banks/ Financial Institutions/ Investment Institutions/ Mutual Funds/ Bodies Corporate/ such other persons or otherwise;

RESOLVED FURTHER THAT in connection with any of the foregoing resolution, the Members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to execute and deliver any and all other documents, papers or instruments, issue and provide certificates and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Offer; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be;

RESOLVED FURTHER THAT all monies received out of the Offer shall be transferred to a separate bank account opened for the purpose of Offer referred to in Section 40(3) of the Companies Act, 2013, and application monies received pursuant to the Offer shall be refunded within such time, as specified by SEBI and in accordance with applicable law, or the Company and/or the selling Shareholders shall pay interest on failure thereof, as per applicable law and in consultation with the BRLMs;

RESOLVED FURTHER THAT the Board and any other Committee thereof, be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as it may deem fit for the purpose of giving effect to the above resolutions and any transfer and allotment of Equity Shares pursuant to the Offer, including but without limitation, the following:

- (i) constituting a committee, or empowering the existing Strategic Transaction Committee, for the purposes of issue, transfer, offer and allotment of Equity Shares, and other matters in connection with or incidental to the Offer, including the pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be issued, offered and transferred in the Offer, the bid / Offer opening date and bid / Offer closing date, determining the classes of investors to whom Equity Shares may be allotted or transferred, determining the anchor investor portion and allocating such number of Equity Shares to anchor investors in consultation with the BRLMs and in accordance with the SEBI Regulations and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;
- (ii) making available for allocation, a portion of the Offer to any category(ies) of persons permitted under Applicable Laws, including without limitation, eligible employees or eligible shareholders (the "**Reservation**") and/or to provide a discount to the Offer price to any category(ies) of persons

- permitted under Applicable Laws, including without limitation, retail individual bidders and/or eligible employees and/or eligible shareholders (the “Discount”) and to take any and all actions in connection with any Reservation or Discount as the Board or a duly constituted Committee thereof, in consultation with the BRLMs, may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board or duly constituted committee thereof may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing;
- (iii) authorization of any Director or Directors of the Company or other Officer or Officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, transfer, offer and allotment of Equity Shares pursuant to the Offer;
 - (iv) giving or authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
 - (v) to invite the existing Shareholders of the Company to participate in the Offer to offer for sale Equity Shares held by them at the same price as in the Offer;
 - (vi) to open and operate bank account(s) of the Company in terms of the escrow and sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
 - (vii) appointing the BRLMs in accordance with the provisions of the SEBI Regulations and other applicable laws;
 - (viii) to decide, negotiate and finalise the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with investors, in consultation with the BRLMs;
 - (ix) taking on record the approval of the existing Shareholder(s) who express their intention to participate in the Offer to offer their Equity Shares in the Offer for Sale;
 - (x) seeking, if required, any approval, consent or waiver from the Company’s lenders, industry data providers and / or parties with whom the Company has entered into various commercial and other arrangements / agreements including, without limitation, customers, suppliers, strategic partners of the Company, and / or any / all concerned governmental and regulatory authorities in India, including the RBI and SEBI and / or any other approvals, consents or waivers that may be required in connection with the issue, transfer, offer and allotment of Equity Shares and approving and issuing advertisements in relation to the Offer, and taking such actions or giving such directions as may be necessary or desirable and to obtain such approvals, consents or waivers, as it may deem fit;
 - (xi) deciding in consultation with the BRLMs the pricing and terms of the Equity Shares, and all other related matters, including the determination of the minimum subscription for the Offer, in accordance with Applicable Laws;
 - (xii) approving the Draft Red Herring Prospectus (“DRHP”), the Red Herring Prospectus (“RHP”) and the Prospectus (“Prospectus”) (including amending, varying, supplementing or modifying the same, or providing any notices, addendum, or corrigenda thereto, together with any summaries thereof as may

- be considered desirable or expedient) in relation to the Offer as finalized in consultation with the BRLMs, in accordance with Applicable Laws;
- (xiii) withdrawing the DRHP or the RHP or not proceeding with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs;
 - (xiv) settling any questions, difficulties or doubts that may arise in relation to the Offer, in consultation with the BRLMs if the need so arises;
 - (xv) approving suitable policies on insider trading, whistle blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
 - (xvi) seeking the listing and trading approval of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing and trading approval;
 - (xvii) appointing, in consultation with the BRLMs, the registrar, advertisement agency, monitoring agency and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws, as well as legal counsels and banks or other agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries / agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries / agents;
 - (xviii) finalizing and arranging for the DRHP to be submitted to the SEBI and the Stock Exchanges for receiving comments, the RHP and the Prospectus to be filed with the Registrar of Companies, and any corrigendum, addendum, amendments or supplements thereto;
 - (xix) authorizing of the maintenance of a Register of holders of the Equity Shares;
 - (xx) finalizing of the basis of allotment of the Equity Shares in accordance with Applicable Laws;
 - (xxi) issuing advertisements in such newspapers as it may deem fit and proper in accordance with the SEBI Regulations and other Applicable Laws;
 - (xxii) delegating its powers as may be deemed necessary and to the extent allowed under Applicable Laws to the Committees of the Board or the Officials of the Company;
 - (xxiii) approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the offering, Offer, transfer and allotment of the Equity Shares, and utilization of the Fresh Issue proceeds;
 - (xxiv) accepting and appropriating of the proceeds of the Offer in accordance with Applicable Laws and
 - (xxv) to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Offer;

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any of the Directors or Company Secretary, be forwarded to concerned authorities for necessary actions.”

Item No. 6: TO APPROVE APPOINTMENT OF MR. BHASKAR SHARMA (DIN: 02871367) AS AN INDEPENDENT (NON-EXECUTIVE) 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. Bhaskar Sharma (DIN: 02871367), 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 September 16, 2024 up to September 15, 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.”

Item No. 7: TO APPROVE APPOINTMENT OF MR. JAYANT GOKHALE (DIN:00190075) AS AN INDEPENDENT (NON-EXECUTIVE) 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. Jayant Gokhale (DIN:00190075), 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 September 16, 2024 up to September 15, 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, 2nd Floor,
Law Garden Road, Navrangpura,
Ahmedabad -380009

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

Place: Mumbai

Date: September 20, 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 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, September 13, 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 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 Sunday, September 22, 2024 and ends at 05:00 p.m. (IST) on Monday, October 21, 2024. During this period Members' of the Company, as on the cut-off date of Friday, September 13, 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 05:00 p.m. (IST) of the last date of remote e-voting of this Postal Ballot i.e. Monday, October 21, 2024. Members who wish to inspect the documents are requested to send an email to 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 email 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. 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 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 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.

- (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
Individual Members holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. 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 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 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

Type of Members	Login Method
	<p>provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & 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 an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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 evoting@nsdl.com or call at toll free no.: 022 - 4886 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 helpdesk.evoting@cdslindia.com or contact at 1800 2100 9911

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:

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
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. 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.
- b) If you are still unable to get the password by aforesaid option, you can send a request at 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 131771.
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. 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 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 with a copy marked to 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
 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: nt.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. 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 STATEMENTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 1

The Company is proposing to undertake an Initial Public Offer (“IPO”) of the Equity Shares of face value of ₹ 10 each (“**Equity Shares**”) of the Company comprising of fresh issuance of Equity Shares by the Company (“**Fresh Issue**”) and an Offer for Sale of Equity Shares by certain existing shareholders (“**Selling Shareholders**”) (“**Offer for Sale**” and together with the Fresh Issue, the “**Offer**”), and list the Equity Shares on one or more of the Stock Exchanges.

The Articles of Association are required to be amended in view of the proposal of the Company to undertake the Offer, and list the Equity Shares on one or more of the recognised Stock Exchanges in India. The Company therefore proposes to adopt an updated set of Articles of Association that shall conform to the requirements and directions provided by the Securities and Exchange Board of India (“**SEBI**”) and the relevant Stock Exchanges prior to filing of the Draft Red Herring Prospectus with the SEBI and the relevant Stock Exchanges and contain such other articles as required by a Public Limited Company under applicable laws (including the Companies Act, 2013).

The copies of the existing and proposed altered Articles of Association of the Company are available for inspection by the members at the Corporate Office of the Company on all working days, during business hours up to the date of the meeting and will also be made available at the meeting.

In view of the aforesaid, the Board of Directors at their meeting held on September 20, 2024 approved adoption of updated set of Articles of Association of the Company. Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 1 of this Notice.

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, Key Managerial Personnel, Senior Management of the Company or the relatives of the aforementioned persons are in any way, financially or otherwise concerned or interested in the said resolutions, except to the extent of their shareholding in the Company.

Item No. 2 & 3

Amendment of the HDB Financial Services Limited - Employees Stock Option Scheme – 2014 and Amendment of the HDB Financial Services Limited - Employees Stock Option Scheme – 2017

HDB Financial Services Limited (“**Company**”) has adopted the HDB Financial Services Limited - Employees Stock Option Scheme – 2014 (“**ESOS - 2014**”) and HDB Financial Services Limited - Employees Stock Option Scheme – 2017 (“**ESOS - 2017**”) which is being implemented by the Company.

Based on the approval of the nomination and remuneration committee (“**NRC**”), and the board of directors (“**Board**”) and subject to the approval of the members, it is proposed that the ESOS – 2014 and ESOS – 2017 be amended in order to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SEBI SBEB & SE Regulations**”) and to provide ease of administration of the options under the ESOS – 2014 and ESOS – 2017 including certain other conditions which are not prejudicial to the interest of the current optionees of the Company. Pursuant to the approvals of the members to the amendments to the ESOS – 2014 and ESOS – 2017 it is proposed that the NRC shall amend the employee stock option plans that have been adopted by the NRC under the ESOS – 2014 and ESOS – 2017 in line with the amendments to the ESOS – 2014 and ESOS – 2017 as applicable.

The Resolutions contained at Item No. 2 and 3 also seeks to obtain the approval of members for authorizing the NRC/ Board to do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the amendment of the ESOS – 2014 and ESOS - 2017.

A draft of the ESOS – 2014 and ESOS - 2017 with the proposed amendments shall be available at the corporate office of the Company, for inspection during business hours of the Company.

Details of the key variations of the ESOS – 2014 and ESOS - 2017 are provided below as Part A and Part B.

1. Key Variations in ESOS – 2014 and ESOS - 2017:

PART – A

It is proposed to include the following variations in the ESOS – 2014 and ESOS - 2017 to bring it in compliance with the regulatory requirements in terms of the SEBI SBEB & SE Regulations. The amendments provided in Part A herein shall apply to current and future option holders of ESOS – 2014 and ESOS - 2017.

Clause No.	Proposed Clause
Clause A	<p>Definition of Applicable Laws</p> <p>The following definition of Applicable Laws is proposed to be included as follows: <i>“Applicable Law(s)” shall include every law, rule, regulation or bye-law relating to employee stock option schemes/plans and such other stock incentive scheme/plans, including, without limitation, the Companies Act, and all the relevant tax, securities, exchange control or corporate laws, rules, regulations or bye-laws of India or any relevant jurisdiction, and includes, any amendment, modification, alteration or re-enactment made to such laws, rules, regulations or bye-laws.”</i></p>
Clause A	<p>Definition of Employee(s)</p> <p>The ESOS – 2014 and ESOS - 2017 is being revised to allow the grant of options in accordance with the SEBI SBEB & SE Regulations. Further, a clarification is proposed to be included in relation to ‘permanent employee’. The proposed definition is as follows: “Employee” shall mean –</p> <p><u>Prior to Listing:</u></p> <p>(a) <i>A permanent employee of the Company who has been working in India or outside India; or</i> (b) <i>a director of the Company, whether a whole time director or not, but excluding an Independent Director; or</i> (c) <i>an employee as defined in clauses (a) or (b) of a Subsidiary, in India or outside India, or of a Holding Company of the Company.</i></p> <p><i>but does not include-</i></p> <p>(i) <i>an employee who is a Promoter or a person belonging to the Promoter Group; or</i> (ii) <i>a director who either himself or through his relative or through any body corporate,</i></p>

Clause No.	Proposed Clause
	<p><i>directly or indirectly, holds more than 10% of outstanding equity shares of the Company.</i></p> <p><i><u>Post Listing:</u></i></p> <p>(a) <i>An employee as designated by the Company, who is exclusively working in India or outside India;</i></p> <p>(b) <i>A director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director;</i></p> <p>(c) <i>An employee as defined in clauses (a) or (b), of a Group including Subsidiary or its Associate Company, in India or outside India, or of Holding Company of the Company,</i></p> <p><i>but does not include:</i></p> <p>(i) <i>An employee who is a Promoter or a person belonging to the Promoter Group;</i></p> <p>(ii) <i>A director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.</i></p> <p><i>Explanation:</i> <i>For the purpose of clause 4 above, unless otherwise determined by the Nomination and Remuneration Committee, an employee shall be deemed to be a “permanent employee” when his employment is confirmed upon completion of the probation period as per the terms of his / her letter of appointment.”</i></p>
Clause A	<p>Definitions of associate company, holding company, subsidiary company, group</p> <p>In line with the proposed listing of Company’s shares on stock exchanges, the following definitions are proposed to be included:</p> <p>“Associate Company” shall have the meaning assigned to it under the Companies Act.”</p> <p>“Group” shall have the meaning assigned to it under the SEBI SBEB Regulations.”</p> <p>“Holding Company” means any present or future holding company of the Company, as defined in the Companies Act.”</p> <p>“Subsidiary Company” means any present or future subsidiary company of the Company, as defined in the Companies Act.”</p>
Clause A	<p>Definition of independent director</p> <p>In line with the defined term of ‘Independent Director’ under the Companies Act and the SEBI SBEB & SE Regulations, it is proposed to include the following definition in ESOS – 2014 and ESOS - 2017:</p> <p>“Independent Director” has the meaning ascribed to such term under the Companies Act and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.”</p>
Clause A	<p>Definition of listing</p>

Clause No.	Proposed Clause
	<p>In line with the proposed listing of Company's shares on stock exchanges, it is proposed to include the definition of listing in ESOS – 2014 and ESOS - 2017, as follows:</p> <p>“Listing” shall mean the initial public offering of the Company’s Shares or the listing of the Company’s Shares on any recognised stock exchange in India.”</p>
Clause A	<p>Definition of market price</p> <p>In line with the proposed listing of Company's shares on stock exchanges, the term “market price” is proposed to be included in ESOS – 2014 and ESOS - 2017, in accordance with SEBI SBEB & SE Regulations, as follows:</p> <p>“Market Price” means the latest available closing price on a recognised stock exchange on which the Shares are listed on the date immediately prior to the Relevant Date. If such Shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price.”</p>
Clause A	<p>Definition of Relevant Date</p> <p>In line with the proposed listing of Company's shares on stock exchanges, the term ‘Relevant Date’ is proposed to be included in ESOS – 2014 and ESOS - 2017, in accordance with SEBI SBEB & SE Regulations, as follows:</p> <p>“Relevant Date” means (i) in the case of Grant, the date of the meeting of the Nomination and Remuneration Committee on which the Grant is made; or (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company.”</p>
Clause A	<p>Definition of nomination and remuneration committee</p> <p>The NRC has been provided the authority for formulation, implementation, administration and superintendence of the ESOS – 2014 and ESOS - 2017. Further, post listing the NRC constituted as required under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall continue to administer the ESOS – 2014 and ESOS - 2017.</p> <p>The term “Nomination and Remuneration Committee” is proposed to be revised as follows in accordance with the requirements under the SEBI SBEB & SE Regulations:</p> <p>“Nomination and Remuneration Committee” prior to Listing, means a committee of Board of Directors of the Company constituted by the Board in accordance with Section 178 of the Companies Act. Post Listing, it means the committee comprising of such members of the Board of Directors of the Company set up in compliance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.”</p>
Clause A	<p>Definitions of promoter, promoter group</p> <p>The following definitions of “promoter” and “promoter group” are proposed to be included:</p> <p>(a) “Promoter” shall have the meaning assigned to it under the Companies Act and / or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as applicable.”</p>

Clause No.	Proposed Clause
	(b) <i>“Promoter Group” shall have the same meaning ascribed to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended or re-enacted from time to time.</i> ”
Clause A	<p>Definition of SEBI SBEB Regulations</p> <p>In line with the proposed listing of Company’s shares on stock exchanges, for ease of administration and implementation of ESOS – 2014 and ESOS - 2017, it is proposed to include the definition SEBI SBEB Regulations in ESOS – 2014 and ESOS - 2017, as follows:</p> <p><i>“SEBI SBEB Regulations” shall mean the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.</i>”</p>
Clause B(1)	<p>Nomination and Remuneration Committee</p> <p>In line with the proposed listing of Company’s shares on stock exchanges and in order to ensure that the Nomination and Remuneration Committee administers the ESOS – 2014 and ESOS - 2017 in accordance with all Applicable Laws, including the SEBI SBEB & SE Regulations, the clause is proposed to be amended as follows:</p> <p><i>“1. The Nomination and Remuneration Committee of the Board of Directors of the Company is authorised to administer this Scheme including to grant options to the employees in one or more tranches, on such terms as it may deem fit in its absolute discretion and in compliance with the provisions of the Applicable Laws.”</i></p>
Clause B(4)	<p>Nomination and Remuneration Committee</p> <p>Since the SEBI SBEB & SE Regulations will be applicable post listing of the shares of the Company, reference to Applicable Laws is proposed to be included in the clause as follows:</p> <p><i>“4. In the eventuality of any rights issue, bonus issues, preferential issue, offer for sale of the equity shares of the Company or other corporate actions such as merger, acquisition or any other corporate restructuring, the Nomination and Remuneration Committee may consider and approve such adjustment as to the number of options granted and / or to the exercise price as it may consider just and fair in compliance with the provisions of the Applicable Laws.”</i></p>
Clause B(5)	<p>Nomination and Remuneration Committee</p> <p>Regulation 5(4) of the SEBI SBEB & SE Regulations require the compensation committee to frame suitable policies to ensure that there is no violation of securities law. In order to align the ESOS – 114 and ESOS - 2017 with SEBI SBEB & SE Regulations, the following clause is proposed to be included:</p> <p><i>“5. The Nomination and Remuneration Committee shall frame suitable policies and systems as may be necessary to ensure that there is no violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade</i></p>

Clause No.	Proposed Clause
	<p><i>Practices relating to the Securities Market) Regulations, 2003, by the Company and the Employees, as applicable post Listing.”</i></p>
<p>Clause B(6)</p>	<p>Nomination and Remuneration Committee</p> <p>The following administrative powers of the Nomination and Remuneration Committee is proposed to be included in line with the SEBI SBEB & SE Regulations:</p> <p><i>“6. Subject to the provisions of this Scheme and in accordance with Applicable Laws, the Nomination and Remuneration Committee is authorized to formulate and determine the terms and conditions of this Scheme, including but not limited to the following:</i></p> <ul style="list-style-type: none"> <i>a. the quantum of options per Employee and in aggregate under the Scheme or any plans under the Scheme;</i> <i>b. the kind of benefits to be granted under the Scheme or any plans under the Scheme;</i> <i>c. the conditions under which options may vest in Employees and may lapse, including in case of termination of employment for misconduct;</i> <i>d. the exercise period within which the Employee can exercise the options and those options would lapse on failure to exercise the same within the exercise period;</i> <i>e. the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation;</i> <i>f. the right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;</i> <i>g. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Nomination and Remuneration Committee:</i> <ul style="list-style-type: none"> <i>i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;</i> <i>ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;</i> <i>h. the grant, vesting and exercise of shares, and options in case of employees who are on long leave;</i> <i>i. eligibility to avail benefits in case of Employees who are on long leave;</i> <i>j. the procedure for funding the exercise of options; and</i> <i>k. the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:</i> <ul style="list-style-type: none"> <i>i. permissible sources of financing for buy-back;</i>

Clause No.	Proposed Clause
	<p>ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and</p> <p>iii. limits upon quantum of specified securities that the Company may buy-back in a financial year. Explanation,—Specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.”</p>
Clause F (1)	<p>Pricing</p> <p>To align the definition of “exercise price” as per the SEBI SBEB & SE Regulations, the clause is proposed to be amended as follows:</p> <p>“1. Prior to Listing, the Exercise Price of the options granted to the employees shall be determined by the Nomination and Remuneration Committee based on the fair market value of equity shares of the Company as certified by a practicing Chartered Accountant or Category 1 Merchant Banker registered with Securities and Exchange Board of India. Post Listing, the Nomination and Remuneration Committee shall be free to determine the Exercise Price which may be the Market Price or a lower price (but not lower than the face value of the Shares), subject to such Exercise Price conforming to the SEBI SBEB Regulations.”</p>
Clause F (3)	<p>Pricing</p> <p>The following clause is proposed to be included to provide the Nomination and Remuneration Committee the right to re-price the options, as permitted under the SEBI SBEB & SE Regulations:</p> <p>“3. Subject to Applicable Laws, the Nomination and Remuneration Committee may also re-price the options which are not Exercised, whether or not Vested, if Scheme is rendered unattractive due to fall in the price of the Shares. Provided that the Company shall ensure that such repricing is not detrimental to the interests of the Employees and the approval of shareholders by way of special resolution has been obtained for such re-pricing.”</p>
Clause G(2)	<p>Vesting of Options and Conditions of Vesting</p> <p>Under the SEBI SBEB & SE Regulations, the minimum vesting period of 1 (one) year is mandated, except in the case of death and permanent disability. Therefore, it is proposed to be clarified that post listing, this requirement of a minimum vesting period of 1 (one) year between the date of the grant and vesting shall not apply in case of death and permanent disability:</p> <p>“2. There shall be a minimum period of one year between the grant of options and vesting of option (“lock-in period”), provided that in case(s) where options are granted in lieu of options held by any employee under an Employees Stock option Scheme in another company, which merges or amalgamates with the Company (hereinafter referred to as Merging or Amalgamating Company), the period during which the options granted by such Merging or Amalgamating Company were held by said employee shall be adjusted against the minimum vesting period required under this clause. However,</p>

Clause No.	Proposed Clause
	<p><i>post Listing, the lock-in period shall not be applicable in case of death and permanent disablement / incapacity of an Employee.”</i></p>
<p>Clause H (1) (a) and (b)</p>	<p>The Effect of Death on the Vesting of Options</p> <p>Under the SEBI SBEB & SE Regulations, the minimum vesting period of 1 (one) year is mandated, except in the case of death and permanent disability. Therefore, it is proposed to be clarified that post listing, this requirement of a minimum vesting period of 1 (one) year between the date of the grant and vesting shall not apply in case of death:</p> <p><i>“a. In case of a death of an employee to whom the options have been granted,</i></p> <p style="padding-left: 40px;"><i>(i) all options that have been granted to the deceased employee in respect of which the lock- in period has lapsed, shall vest immediately in the legal heirs or nominees of such deceased employee as on the date of his / her death;</i></p> <p style="padding-left: 40px;"><i>(ii) all options granted to the deceased employee in respect of which the lock-in period has not lapsed shall vest in the legal heirs or nominees of such deceased employee on the expiry of the lock-in period. However, post Listing, the lock-in period shall not be applicable and all the options shall vest immediately in the legal heirs or nominees as on the date of the death of the employee.</i></p> <p><i>b. All such options which have vested in the legal heirs or nominees of a deceased employee, shall be exercisable,</i></p> <ul style="list-style-type: none"> <i>- under case a(i) above and Post Listing, within a period of six months from the date of death of the employee, and</i> <i>- under case a(ii) above, within a period of six months from the expiry of the lock-in period.”</i>
<p>Clause H (2)</p>	<p>The Effect of Permanent Disablement on the Vesting of Options</p> <p>Under the SEBI SBEB & SE Regulations, the minimum vesting period of 1 (one) year is mandated, except in the case of death and permanent disability. Therefore, it is proposed to be clarified that post listing, this requirement of a minimum vesting period of 1 (one) year between the date of the grant and first vesting shall not apply in case of permanent disablement / incapacity of the employee.</p> <p>Further, since the definition of employees (who are entitled to receive options) includes employees of subsidiary company, in or outside India, and holding company of the Company (until listing) and the employees of group companies (including subsidiary and associate companies, in or outside India, and holding company and such other permitted group companies) of the Company (post listing), the reference to the same is proposed to be included in the clause, and the definition of ‘permanent disablement / incapacity’ is proposed to be added.</p> <p>The clause is proposed to be revised as follows:</p> <p>“2. Permanent disablement</p> <p><i>a. In case an employee suffers a permanent disablement / incapacity while in employment and as consequence of such disablement or incapacity his / her employment with the Company (or its Holding Company or Subsidiary Company</i></p>

Clause No.	Proposed Clause
	<p><i>or Associate Company or Group company as applicable) comes to an end, all options that have been granted to such employee as on the date of such permanent disablement/incapacitation, shall vest in him/her immediately on that date. It is hereby clarified that post Listing, the lock-in period shall not be applicable in case of permanent disablement / incapacity.</i></p> <p><i>b. All options that are vested in such an employee shall be exercised within a period of six months from the date of such permanent disablement/incapacitation of the employee.</i></p> <p><i>c. For the purpose of this Scheme, the term “permanent disablement / incapacity” means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Head of Human Resources of the Company.”</i></p>
<p>Clause H(4) (a) and (b)</p>	<p>The Effect of Retirement on the Vesting of Options</p> <p>The SEBI SBEB & SE Regulations permit the Nomination and Remuneration Committee to allow the unvested options to vest as per the original vesting period post the retirement / superannuation of the option holder. Clauses H (4(a) and (b)) are proposed to be amended as follows in relation to the same:</p> <p><i>“a. In case an employee, including a director to whom the options have been granted retires, or vacates his/her office upon reaching the age of superannuation as per the Company’s rules or upon expiry of any employment contract or extension thereof, then in such case,</i></p> <p><i>(i) all options granted to such employee till such date of retirement/ superannuation/ vacation of office / expiry of the employment contract, shall vest in such employee immediately on that date, provided the lock-in period in respect of such options has expired;</i></p> <p><i>(ii) all such options in respect of which the lock-in period has not lapsed shall, subject to Applicable Laws, vest upon completion of such lock-in period;</i></p> <p><i>(iii) provided that, post Listing, the unvested options as on the date of retirement / superannuation may continue to Vest in accordance with the original Vesting schedule even after the retirement / superannuation if so determined by the Nomination and Remuneration Committee.</i></p> <p><i>b. All such options which have vested in the employee shall be exercisable,</i></p> <ul style="list-style-type: none"> <i>- under case a(i) above, within a period of six months from the date of retirement / superannuation / vacation of office / expiry of the employment contract;</i> <i>- under case a(ii) above, within a period of six months from the expiry of the lock-in period; and</i>

Clause No.	Proposed Clause
	<p>- under case a(iii) above, within a period of six months from the date of vesting of such options.”</p>
<p>Clause O (1) and (2)</p>	<p>Variation of Scheme / Tranche</p> <p>The Companies Act and SEBI SBEB & SE Regulations require the prior approval of shareholders for effectuating any amendments to an ESOP plan. Further, such variations should not be prejudicial to the interests of the options grantees.</p> <p>Companies can vary the terms of the plan to meet any regulatory requirement without seeking shareholders’ approval under the SEBI SBEB & SE Regulations.</p> <p>The clause is proposed to be revised as follows:</p> <p>“1. Any variation in the terms of this Scheme can be done by special resolution passed by the shareholders provided such variation is not prejudicial to the interests of the option holders.</p> <p>2. The notice for passing special resolution for variation of terms of this Scheme shall disclose in full the details of the variation, the rationale therefor, and the details of the employees who are beneficiaries of such variation. Provided further that, post Listing, the Nomination and Remuneration Committee may revise any of the terms and conditions of the ESOS to meet any regulatory requirements without seeking shareholders’ approval.”</p>
<p>Clause P</p>	<p>Regulatory Approvals</p> <p>The Company shall be required to comply with the SEBI SBEB & SE Regulations post listing of its shares. The clause is proposed to be revised as follows:</p> <p>“1. This ESOS shall be subject to such regulatory approvals as may be required from time to time. Further, for Listing of shares issued pursuant to the ESOS, the Company shall obtain in-principle approval of the stock exchanges where it is proposed to list the said shares.</p> <p>2. The Company shall make the requisite disclosures in respect of the Scheme, in the manner specified under the Applicable Laws.”</p>
<p>Clause S</p>	<p>Accounting Policies</p> <p>It is proposed to include the following clause vis-à-vis accounting of stock options:</p> <p>“CLAUSE S: ACCOUNTING POLICIES</p> <p><i>The Company shall follow the requirements of the ‘Guidance Note on Accounting for employee share based Payments’ (Guidance Note) or Accounting Standards as may be prescribed by Institute of Chartered Accountants of India and the SEBI SBEB Regulations, from time to time, including the disclosure requirements prescribed thereunder.</i></p> <p><i>Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under the SEBI SBEB</i></p>

Clause No.	Proposed Clause
	<i>Regulations then the Company shall comply with the relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India from time to time.”</i>

PART – B

It is proposed to include the following additional terms/ modify the terms in the ESOS – 2014 and ESOS - 2017 to provide ease of administration of the options under the ESOS – 2014 and ESOS - 2017. The amendments provided in Part B herein shall apply to current and future option holders of ESOS – 2014 and ESOS - 2017.

Clause No.	Proposed Clause
Clause R	<p>MALUS/CLAWBACK ARRANGEMENT</p> <p>The Grant, Vesting and Exercise of Options under this Employee Stock Option Scheme shall be subject to the Malus and Clawback provisions under the Company’s Compensation Policy, as may be amended, replaced, restated, substituted from time to time, or as may be communicated by the Company to the Employees, or as per the revisions to the employment contracts/ terms and in accordance with the Reserve Bank of India’s Scale Based Regulations, as may be amended, replaced, substituted, restated from time to time.</p>

The above mentioned clause is already a part of ESOS - 2017.

Clause No.	Proposed Clause
Clause A	<p>Definition of Option</p> <p>The clause is proposed to be clarified as follows: <i>““Option” means a right but not an obligation granted to an employee to, at a future date, purchase or subscribe to equity shares of the Company at a pre-determined price, pursuant to this ESOS.”</i></p>
Clause C (2)	<p>Eligible Employees</p> <p>This clause is proposed to be amended as follows to permit the grant of the options beyond the thresholds mentioned herein with the prior approval of the shareholders of the Company, subject to Applicable Laws: <i>“2. Further, no single employee/ director shall be granted options under this ESOS entitling such employee/ director to equity shares in the Company which would represent more than 1% of the paid-up share capital of the Company as on the date of grant of options or 10% of the total number of options granted under this Scheme unless requisite approval of the shareholders of the Company has been obtained in this regard and it is in compliance with Applicable Laws.”</i></p>
Clause D (2)	<p>Criteria for Grant of Options and Appraisal Process for Eligibility of Employees</p> <p>The Nomination and Remuneration Committee while granting options under the ESOS – 2014 and ESOS - 2017 has been formulating and adopting new plans under the Scheme.</p>

Clause No.	Proposed Clause
	<p>The language in this clause is proposed to be clarified as follows to include the reference to such plans:</p> <p><i>“2. The Nomination and Remuneration Committee may grant options to such employees in tranches or as per separate plans after giving due consideration to what is stated above.”</i></p>
Clause E	<p>Date of Grant of Options</p> <p>This clause is proposed to be amended as follows to clarify that the date of grant of options may be the date of the meeting of the Nomination and Remuneration Committee wherein the options are granted or any other date as determined by the Nomination and Remuneration Committee as well:</p> <p><i>“1. The date of grant shall be the date of the meeting of the Nomination and Remuneration Committee at which the options are granted or any other date as may be specified by the Nomination and Remuneration Committee and provided for in the letter of grant to Employees.”</i></p>
Clause F (2)	<p>Pricing</p> <p>The following clause is proposed to be included to clarify the employee’s obligation on exercise of options:</p> <p><i>“2. In addition to the Exercise Price, the Employee will also be responsible to pay the Applicable Tax/es at the time of Exercising the Vested Options in accordance with the provisions of the Income Tax Act, 1961 at the relevant time.”</i></p>
Clause G (3)	<p>Vesting of Options and Conditions of Vesting</p> <p>The maximum vesting period under the ESOS – 2014 and ESOS - 2017 as approved by the shareholders is 4 years from the date of grant of the options. The clause is proposed to be revised to clarify for the same:</p> <p><i>“3. The maximum period of vesting shall be such as may be determined by the Nomination and Remuneration Committee, however the overall vesting period, as may be determined by the Nomination and Remuneration Committee shall not exceed 4 years from the date of the grant of the options.”</i></p>
Clause G (4)	<p>Vesting of Options and Conditions of Vesting</p> <p>Given that the definition of employees (who are entitled to receive options) includes employees of subsidiary company, in or outside India, and holding company of the Company (until listing) and the employees of group companies (including subsidiary and associate companies, in or outside India, and holding company and such other permitted group companies) of the Company (post listing), the clause is proposed to be revised as follows:</p> <p><i>“4. For vesting to happen, the employee should have been in continuous service with the Company (or its Holding Company or Subsidiary Company or Associate Company or Group company as applicable) throughout the vesting period.”</i></p>
Clause G (5)	<p>Vesting of Options and Conditions of Vesting</p>

Clause No.	Proposed Clause
	<p>Given that the Companies Act, 2013 and the SEBI SBEB & SE Regulations mandate a minimum vesting period of 1 year from the date of the grant and vesting of the options (except in case of death and permanent disability post listing), and the same is provided for in the ESOS – 2014 and ESOS - 2017, this clause is proposed to be amended as follows:</p> <p><i>“5. There shall not be any lock in period for vesting of options, other than as mentioned in this Scheme.”</i></p>
Clause H	<p>The Effect of Death, Permanent Disablement, Resignation and Termination of the Employment on the Vesting of Options</p> <p>Given that the definition of employees (who are entitled to receive options) includes employees of subsidiary company, in or outside India, and holding company of the Company (until listing) and the employees of group companies (including subsidiary and associate companies, in or outside India, and holding company and such other permitted group companies) of the Company (post listing), the clause is proposed to be revised as follows:</p> <p><i>“No option shall Vest in any employee if the employee ceases to be in the employment of the Company (or its Holding Company or Subsidiary Company or Associate Company or Group company as applicable) before the date of vesting of the options except in the following cases:”</i></p>
Clause H (1) (c)	<p>The Effect of Death of an Employee on the Vesting of Options</p> <p>The clause is proposed to be amended as follows to further clarify the process in relation to nomination and exercise of options by legal heirs:</p> <p><i>“c. To enable the employees to nominate persons in respect of the options, the Company shall make available to the employees specific nomination forms from time to time. In case of the death of any employee who has not nominated any person(s), the employee shall be Exercisable by the legal heir(s) / successor(s) of such employee, provided that the legal heir(s) / successor(s) shall be required to produce/furnish to the Company all such documents / indemnities as may be required by the Company to prove the succession to the assets of the deceased employee.”</i></p>
Clause H (3)(a)	<p>The Effect of Resignation and Termination of the Employment on the Vesting of Options</p> <p>The clause is proposed to be revised as follows to clarify that in case of resignation / termination of employment of the employee, all unvested options on the last working date of the employee shall forfeit.</p> <p><i>“a. In the event of resignation or termination of the employee, all his unvested options as on their last working date shall forfeit.”</i></p>
Clause H (4)(c) and (d)	<p>The Effect of Retirement on the Vesting of Options</p> <p>The clause is proposed to be revised as follows:</p> <p><i>“c. In case a director is not re-appointed by the shareholders or a director is removed from his / her office without any fault of his / her own, then in such case,</i></p>

Clause No.	Proposed Clause
	<p>(i) all options that have been granted to the employee of which the lock-in period has lapsed, shall vest immediately on the date of such removal;</p> <p>(ii) all such options granted in respect of which the lock-in period has not lapsed shall, subject to Applicable Laws, vest upon completion of lock-in period. The Nomination and Remuneration Committee shall have the discretion to accelerate the vesting of the Unvested Options as on the date of the cessation subject to Applicable Laws.</p> <p>d. All such options which have vested in the employee shall be exercisable,</p> <ul style="list-style-type: none"> - under case c(i) above, within a period of six months from the date of vacation / removal from office and - under case c(ii) above, within a period of six months from the expiry of the lock-in period.”
Clause H (5)	<p>The Effect of Merger and Amalgamation on the Vesting of Options</p> <p>The clause is proposed to be revised as follows:</p> <p>“5. Merger and Amalgamation</p> <p>The options granted hereunder shall not be affected by any takeover, merger, amalgamation of any other entity with the Company.</p> <p>In the event of</p> <ul style="list-style-type: none"> a. the Company being merged or amalgamated into any other entity, not being with promoter(s) or any entity controlled by promoter(s), or b. there is any material and sizable change in the controlling interest / shareholdings held by the promoter(s) of the Company, or c. any investor acquires more than 12% of the paid-up share capital of the Company either by itself or together with relatives / group companies / entities acting in concert, then in such an event, <ul style="list-style-type: none"> - all such unvested options for which the lock-in period has lapsed from their date of grant shall vest immediately on occurrence of said event; - all such unvested options for which the lock-in period has not lapsed from their date of grant shall, subject to Applicable Laws, vest immediately upon completion of one year from their date of grant; and - all the vested options shall become immediately exercisable by the employees within the exercise period stated in Clause I(1) below. <p>Explanation: It is hereby clarified that material and sizable change in the controlling interest / shareholdings held by the promoter(s) of the Company or acquisition of more than 12% shares as aforesaid, shall be deemed to have occurred on the day the board of directors of the promoter(s) approves the decision to sell its / their interest / shareholdings or the day the Board of Directors of the Company or any committee thereof approves the decision to issue fresh shares resulting into change in shareholding, as may be applicable.”</p>
Clause I(5)	<p>Process of Exercise of Options</p> <p>The clause is proposed to be revised as follows:</p>

Clause No.	Proposed Clause
	<p><i>“5. It is hereby clarified that, subject to Applicable Laws, the options can be exercised only after they are vested in the employees and the allotment of equity shares in respect thereof shall be made within 21 days from the last date specified for the exercise of options in each month / period. Hence if an option is exercised at any time between 1st of any month till the last date specified for exercise of options for that month, the allotment shall be made within 21 days from the said last date specified for exercise of options for that month.”</i></p>
<p>Clause (J) (2) and (3)</p>	<p>Lapse of Options and Granting thereof</p> <p>The clauses are proposed to be revised as follows to clarify the treatment of vested options that are not exercised within the requisite time period and the granting of such lapsed options by the Nomination and Remuneration Committee thereafter:</p> <p><i>“2. If the options are not exercised by the concerned employees within a period of four years from the relevant date of vesting of such options, the right of the employee to exercise the option and apply for equity shares shall forthwith lapse.</i></p> <p><i>3. In the event of any of the options are getting lapsed pursuant to the provisions of Clause H and J, the said lapsed options shall be available to the Nomination and Remuneration Committee for grant to other employees, as the Nomination and Remuneration Committee may deem fit. The Exercise Price of such options shall be computed from the date of grant and in compliance with applicable accounting standards as required.”</i></p>
<p>Clause T</p>	<p>Governing Law and Jurisdiction</p> <p>The following clause is proposed to be included in relation to the governing law and dispute resolution of matters in connection with the ESOS – 2014 and ESOS - 2017:</p> <p>“CLAUSE T: GOVERNING LAW AND JURISDICTION</p> <p><i>The terms and conditions of this Scheme shall be governed by and construed in accordance with the laws of India. The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this scheme.</i></p> <p><i>Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:</i></p> <p><i>a. in any other court of competent jurisdiction; or</i></p> <p><i>b. concurrently in more than one jurisdictions.”</i></p>
<p>Clause U</p>	<p>Notices</p> <p>The following clause is proposed to be included in relation to issuance of notices under the ESOS – 2014 and ESOS - 2017:</p> <p>“CLAUSE U. NOTICES</p>

Clause No.	Proposed Clause
	<p><i>All notices of communication required to be given by the Company to an Employee by virtue of this Scheme shall be in writing and shall be sent to the email or address of the Employee available in the records of the Company and any communication to be given by an Employee to the Company in respect of this Scheme shall be sent to the Corporate Office of the Company.”</i></p>
Clause V	<p>Other Terms</p> <p>The following clauses are proposed to be included:</p> <p>“CLAUSE V. OTHER TERMS</p> <ol style="list-style-type: none"> 1. <i><u>No guarantee of returns</u>: Participation in this ESOS shall not be construed as any guarantee of return on any investment. Any loss/potential loss on any account of fluctuation in the price of Shares or any other account whatsoever and the risks associated with such investments will be that of the Employee alone and not of the Company.</i> 2. <i><u>No Prohibition on New Schemes</u>: Nothing contained in the ESOS shall be construed to prevent the Company from implementing any other new scheme, in accordance with Applicable Laws, for granting stock options and/or share purchase rights, which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have any adverse impact on the ESOS or any grant made under the ESOS. No Employee or other person shall have any claim against the Company as a result of such action.</i> 3. <i><u>No Restriction on Corporate Action</u>: The existence of the ESOS and any Grant made hereunder shall not in any way affect the right or the power of the Board or the shareholders of the Company to make or authorise any change in capital structure, including any issue of shares, debt or other securities having any priority or preference with respect to the shares of the Company or the rights thereof or from making any corporate action which is deemed to be appropriate or in its best interest, whether or not such action would have an adverse effect on the ESOS or any Grant made under the Scheme. No Employee or other person shall have any claim against the Company as a result of such action.”</i>

2. Rationale for the variation of ESOS – 2014 and ESOS - 2017:

- (a) The amendments, including those mentioned herein (as Part A), are proposed to be undertaken in order to comply with the SEBI SBEB & SE Regulations on the listing of the Company and make corresponding changes in the ESOS – 2014 and ESOS - 2017.
- (b) The amendments, including those mentioned herein (as Part B), are proposed to be undertaken in order to provide further clarification and to ease of administration of options under the ESOS – 2014 and ESOS - 2017.
- (c) The proposed amendments also contain certain editorial changes and consistency changes.

(d) The proposed amendments are not detrimental/prejudicial to the interest of the option holders.

3. Details of the employees who are beneficiaries of such variation:

The beneficiaries of such variation are the 'Employees' who have been granted options and who will be granted options under the ESOS – 2014 and ESOS - 2017.

The Resolutions contained at Item No. 2 and 3 seek to obtain the approval of members by way of a special resolution, for amendments to the ESOS – 2014 and ESOS - 2017 and do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the foregoing.

In view of the aforesaid, the Board of Directors at their meeting held on September 20, 2024 approved amendments to the ESOS – 2014 and ESOS - 2017. Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 2 & 3 of this Notice authorising the Board amendments to the ESOS – 2014 and ESOS - 2017.

The Board thereby recommends the passing of the proposed resolutions stated in Item No. 2 and 3 of the notice of meeting for approval of members as a special resolution.

Pursuant to Section 102 of the Act, the Board do hereby confirm that none of the directors and key managerial personnel (as defined under the Act) and their immediate relatives is concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company or to the extent they are granted any employee stock options under the ESOS – 2014 and ESOS - 2017, in accordance with the applicable law.

Item No. 4

Amendment of the HDB Financial Services Limited - Employees Stock Option Scheme – 2022

HDB Financial Services Limited ("**Company**") has adopted the HDB Financial Services Limited - Employees Stock Option Scheme 2022 ("**ESOS - 2022**") which is being implemented by the Company.

Based on the approval of the nomination and remuneration committee ("**NRC**"), and the board of directors ("**Board**") and subject to the approval of the members, it is proposed that the ESOS - 2022 be amended in order to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB & SE Regulations**") and to provide ease of administration of the options under the ESOS - 2022 including certain other conditions which are not prejudicial to the interest of the current optionees of the Company. Pursuant to the approval of the members to the amendments to the ESOS - 2022, it is proposed that the NRC shall amend the employee stock option plans that have been formulated and adopted by the NRC under the ESOS – 2022 in line with the amendments made to ESOS - 2022.

The Resolutions contained at Item No. 4 also seeks to obtain the approval of members for authorizing the NRC/ Board to do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the amendment of the ESOS - 2022.

A draft of the ESOS - 2022 with the proposed amendments shall be available at the corporate office of the Company, for inspection, during business hours of the Company.

Details of the key variations of the ESOS - 2022 are provided below as Part A and Part B.

4. Key Variations in ESOS - 2022:

PART – A

It is proposed to include the following variations in the ESOS - 2022 to bring it in compliance with the regulatory requirements in terms of the SEBI SBEB & SE Regulations. The amendments provided in Part A herein shall apply to current and future option holders of ESOS - 2022.

Clause No.	Proposed Clause
Clause A	<p>Definition of Employee(s)</p> <p>The ESOS - 2022 is being revised to allow the grant of options in accordance with the SEBI SBEB & SE Regulations. Further, a clarification is proposed to be included in relation to ‘permanent employee’. The proposed definition is as follows:</p> <p><i>““Employee” shall mean –</i></p> <p><i>Prior to Listing:</i></p> <p>(a) <i>a permanent employee of the Company who has been working in India or outside India;</i> <i>or</i></p> <p>(b) <i>a director of the Company, whether a whole time director or not, but excluding an Independent Director; or</i></p> <p>(c) <i>an employee as defined in clauses (a) or (b) of a Subsidiary Company, in India or outside India, or of a Holding Company of the Company</i> <i>but does not include-</i></p> <p><i>a. an employee who is a Promoter or a person belonging to the Promoter Group; or</i> <i>b. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Equity Shares of the Company.</i></p> <p><i>Post Listing:</i></p> <p>(a) <i>an employee as designated by the Company, who is exclusively working in India or outside India; or</i></p> <p>(b) <i>a director of the Company, whether a whole time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group, but excluding an Independent Director; or</i></p> <p>(c) <i>an employee as defined in sub-clauses (i) or (ii), of a Group company including Subsidiary Company or its Associate Company, in India or outside India, or of a Holding Company of the company,</i></p> <p><i>but does not include—</i></p> <p><i>a. an employee who is a Promoter or a person belonging to the Promoter Group; or</i> <i>b. a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding Equity Shares of the Company;</i></p>

Clause No.	Proposed Clause
	<p>Explanation: For the purpose of clause 7 above, unless otherwise determined by the Nomination and Remuneration Committee, an employee shall be deemed to be a “permanent employee” when his employment is confirmed upon completion of the probation period as per the terms of his / her letter of appointment.”</p>
Clause A	<p>Definition of independent director</p> <p>In line with the defined term of ‘Independent Director’ in line with the Companies Act, 2013 and the SEBI SBEB & SE Regulations, it is proposed to include the following definition in ESOS - 2022:</p> <p>“Independent director” has the meaning ascribed to such term under the Companies Act, 2013 and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.”</p>
Clause A	<p>Definition of listing</p> <p>In line with the proposed listing of Company’s shares on stock exchanges, it is proposed to include the definition of listing in ESOS - 2022, as follows:</p> <p>“Listing” shall mean the initial public offering of the Company’s Shares or the listing of the Company’s Shares on any recognised stock exchange in India.”</p>
Clause A	<p>Definition of market price</p> <p>In line with the proposed listing of Company’s shares on stock exchanges, the term “market price” is proposed to be included in ESOS - 2022, in accordance with SEBI SBEB & SE Regulations, as follows:</p> <p>“Market Price” means the latest available closing price on a recognised stock exchange on which the Shares are listed on the date immediately prior to the Relevant Date. If such Shares are listed on more than one recognised stock exchange, then the closing price on the recognised stock exchange having higher trading volume shall be considered as the market price.”</p>
Clause A	<p>Definition of Relevant Date</p> <p>In line with the proposed listing of Company’s shares on stock exchanges, the term ‘Relevant Date’ is proposed to be included in ESOS - 2022, in accordance with SEBI SBEB & SE Regulations, as follows:</p>

Clause No.	Proposed Clause
	<p>“Relevant Date” means - (i) in the case of Grant, the date of the meeting of the Nomination and Remuneration Committee on which the Grant is made; or (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company.”</p>
Clause A	<p>Definition of nomination and remuneration committee</p> <p>The NRC has been provided the authority for formulation, implementation, administration and superintendence of the ESOS - 2022. Further, post listing the NRC constituted as required under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall continue to administer the ESOS - 2022.</p> <p>The term “Nomination and Remuneration Committee” is proposed to be revised as follows in accordance with the requirements under the SEBI SBEB & SE Regulations:</p> <p>“Nomination and Remuneration Committee” prior to Listing means a committee constituted by the Board in accordance with Section 178 of the Companies Act, 2013. Post Listing, it means the committee comprising of such members of the Board set up in compliance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.”</p>
Clause A	<p>Definitions of promoter, promoter group</p> <p>The following definitions of “promoter” and “promoter group” are proposed to be included:</p> <p>(a) “Promoter” shall have the meaning assigned to it under the Companies Act and / or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as applicable.”</p> <p>(b) “Promoter Group” shall have the same meaning ascribed to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended or re-enacted from time to time.”</p>
Clause A	<p>Definition of SEBI SBEB Regulations</p> <p>In line with the proposed listing of Company's shares on stock exchanges, for ease of administration and implementation of ESOS - 2022, it is proposed to include the definition SEBI SBEB Regulations in ESOS - 2022, as follows:</p> <p>“SEBI SBEB Regulations” shall mean the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.”</p>
Clause A	<p>Definitions of associate company, group and holding company</p> <p>In line with the proposed listing of Company's shares on stock exchanges, the following definitions are proposed to be included:</p>

Clause No.	Proposed Clause
	<p><i>“Associate Company” shall have the meaning assigned to it under the Companies Act, 2013.”</i></p> <p><i>“Group” shall have the meaning assigned to it under the SEBI SBEB Regulations.”</i></p> <p><i>“Holding Company” means any present or future holding company of the Company, as defined in the Companies Act, 2013.”</i></p>
Clause B(4)	<p>Nomination and Remuneration Committee</p> <p>Regulation 5(4) of the SEBI SBEB & SE Regulations require the compensation committee to frame suitable policies to ensure that there is no violation of securities law. In order to align ESOS - 2022 with SEBI SBEB & SE Regulations, the following clause is to be included:</p> <p><i>“4. The Nomination and Remuneration Committee shall frame suitable policies and systems as may be necessary to ensure that there is no violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by the Company and the Employees, as applicable post Listing.”</i></p>
Clause B(5)	<p>Nomination and Remuneration Committee</p> <p>The following administrative powers of the Nomination and Remuneration Committee is proposed to be included in line with the SEBI SBEB & SE Regulations:</p> <p><i>“5. Subject to the provisions of this Scheme and in accordance with Applicable Laws, the Nomination and Remuneration Committee is authorized to formulate and determine the terms and conditions of this Scheme, including but not limited to the following:</i></p> <ol style="list-style-type: none"> <i>a. the quantum of options per Employee and in aggregate under the Scheme or any plans under the Scheme;</i> <i>b. the kind of benefits to be granted under the Scheme or any plans under the Scheme;</i> <i>c. the conditions under which options may vest in Employees and may lapse including in case of termination of employment for misconduct;</i> <i>d. the exercise period within which the Employee can exercise the options and those options would lapse on failure to exercise the same within the exercise period;</i> <i>e. the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation;</i> <i>f. the right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;</i> <i>g. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price in case of</i>

Clause No.	Proposed Clause
	<p><i>corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Nomination and Remuneration Committee:</i></p> <ul style="list-style-type: none"> <i>i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;</i> <i>ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;</i> <i>h. the grant, vesting and exercise of shares, and options in case of employees who are on long leave</i> <i>i. eligibility to avail benefits in case of Employees who are on long leave;</i> <i>j. the procedure for funding the exercise of options; and</i> <i>k. the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:</i> <ul style="list-style-type: none"> <i>(i) permissible sources of financing for buy-back;</i> <i>(ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and</i> <i>(iii) limits upon quantum of specified securities that the Company may buy-back in a financial year. Explanation,—Specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.”</i>
Clause G	<p>Pricing</p> <p>To align the definition of “exercise price” as per the SEBI SBEB & SE Regulations, the clause is proposed to be amended as follows:</p> <p><i>“Prior to Listing, the Exercise Price of the Options Granted to the Employees shall be the fair market value of Equity Shares of the Company as certified by a practicing Chartered Accountant or Category 1 Merchant Banker registered with Securities and Exchange Board of India. Post Listing, the Company granting options under the ESOS shall be free to determine the Exercise Price which may be the Market Price or a lower price (but not lower than the face value of the Shares), subject to such Exercise Price confirming to the SEBI SBEB Regulations.”</i></p>
Clause G	<p>Pricing</p> <p>The following clause is proposed to be included to provide the Nomination and Remuneration Committee the right to re-price the options, as permitted under the SEBI SBEB & SE Regulations:</p>

Clause No.	Proposed Clause
	<p><i>“Subject to Applicable Laws, the Nomination and Remuneration Committee may also re-price the options which are not Exercised, whether or not Vested, if Scheme is rendered unattractive due to fall in the price of the Shares. Provided that the Company shall ensure that such repricing is not detrimental to the interests of the Employees and the approval of shareholders by way of special resolution has been obtained for such re-pricing.”</i></p>
<p>Clause I (1) (a)</p>	<p>The Effect of Death on the Vesting of Options</p> <p>Under the SEBI SBEB & SE Regulations, the minimum vesting period of 1 (one) year is mandated, except in the case of death and permanent disability. Therefore, it is proposed to be clarified that post listing, this requirement of a minimum vesting period of 1 (one) year between the date of the grant and vesting shall not apply in case of death:</p> <p><i>“a. In case of a death of an Employee to whom Options have been Granted, all Unvested Options of the deceased Employee shall Vest immediately in the legal heir(s) or nominee(s) or successor(s) of such deceased Employee as on the date of his / her death. Post Listing, the minimum vesting period of 1 year between the Grant of Option and Vesting of Options shall not be applicable and all the Options shall vest immediately in the legal heirs or nominees on the data of such death.”</i></p>
<p>Clause I (2)</p>	<p>The Effect of Permanent Disablement on the Vesting of Options</p> <p>Under the SEBI SBEB & SE Regulations, the minimum vesting period of 1 (one) year is mandated, except in the case of death and permanent disability. Therefore, it is proposed to be clarified that post listing, this requirement of a minimum vesting period of 1 (one) year between the date of the grant and first vesting shall not apply in case of permanent disablement / incapacity of the employee.</p> <p>Further, since the definition of employees (who are entitled to receive options) includes employees of subsidiary company, in or outside India, and holding company of the Company (until listing) and the employees of group companies (including subsidiary and associate companies, in or outside India, and holding company and such other permitted group companies) of the Company (post listing), the reference to the same is proposed to be included in the clause.</p> <p>The clause is further proposed to be revised as follows to state that the medical expert shall be as identified by the Head- Human Resources of the Company.</p> <p>The clause is proposed to be revised as follows:</p> <p><i>“a. In case an Employee suffers a permanent disablement / incapacity while in employment and as consequence of such disablement or incapacity his / her employment with the</i></p>

Clause No.	Proposed Clause
	<p><i>Company (or its Holding Company or Subsidiary Company or Associate Company or Group company, as applicable) comes to an end, all Unvested Options of such Employee shall vest in him / her immediately as on the date of such permanent disablement / incapacity. Post Listing, the minimum vesting period of 1 year between the Grant of Options and Vesting of Options shall not be applicable and all the Options shall vest immediately on the date of such permanent disablement / incapacity.</i></p> <p>c. <i>To enable the Employees to nominate persons in respect of the Options, the Company shall make available to the Employees specific nomination forms from time to time. In case of the permanent disablement/incapacity of any Option Grantee who has not nominated any person(s), the Vested Options shall be Exercisable by the legal heir(s) / successor(s) of such Grantee, provided that the legal heir(s) / successor(s) shall be required to produce/furnish to the Company all such documents / indemnities as may be required by the Company to prove the succession to the assets of the deceased Option Grantee.</i></p> <p><i>For the purpose of this Scheme, the term “permanent disablement / incapacity” means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Head of Human Resources of the Company.”</i></p>
Clause I (4)	<p>The Effect of Retirement on the Vesting of Options</p> <p>The SEBI SBEB & SE Regulations permit the Nomination and Remuneration Committee to allow the unvested options to vest as per the original vesting period post the retirement / superannuation of the option holder. The following clauses are proposed to be amended as follows:</p> <p>“4. Retirement of an Employee</p> <p>a. <i>In case an Employee, including a director to whom the Options have been Granted, retires, or vacates his / her office upon reaching the age of superannuation as per the Company's rules then in such case, (i) All Vested Options of the Employee as on the date of retirement shall be exercisable, within a period of 3 (three) years from the date of the retirement / superannuation / vacation office; and (ii) all Unvested Options of the Employee as on the date of retirement / superannuation shall vest in such Employee immediately on his/her last working day at the Company, subject to 1 (one) year having been completed from Grant Date. Where 1 (one) year has not elapsed from the Grant Date as on the last working date of the Employee at the Company, then such Unvested Options shall, subject to Applicable Laws, vest only upon completion of 1 (one) year from the Grant Date. All</i></p>

Clause No.	Proposed Clause
	<p><i>Vested Options shall be exercisable within a period of 3 (three) years from the date of the retirement / superannuation / vacation of office. Provided that, post Listing, the Unvested Options as on the date of retirement / superannuation may continue to Vest in accordance with the original Vesting schedule even after the retirement / superannuation if so determined by the Nomination and Remuneration Committee, and upon vesting, such Vested Options shall be exercisable within a period of 3 (three) years from the date of vesting of the Options.</i></p> <p><i>b. Separately, in the event the Employee dies after retirement / superannuation / vacation of office and before completion of the 1 (one) year period from Grant Date, then all Unvested Options will, subject to Applicable Laws, vest on the date of death of such Employee, and the Vested Options shall be exercisable by the legal heir(s) or nominee(s) or successor(s) of the deceased Employee within a period of 6 (six) months from the date of death in accordance with Clause I (1) above.</i></p> <p><i>c. In case a director is not re-appointed by the shareholders or a director is removed from his / her office without any fault of his / her own, then in such case, all Unvested Options of the director as on the date of cessation shall, subject to Applicable Laws, vest upon completion of 1 (one) year from such date of such cessation, and such Options of the director shall be exercisable, within a period of 6 (six) months from the date of their vesting. The Nomination and Remuneration Committee shall have the discretion to accelerate the vesting of the Unvested Options as on the date of the cessation subject to Applicable Laws.”</i></p>
Clause O	<p>Accounting policies</p> <p>In line with the proposed listing of Company’s shares on stock exchanges, the accounting policies provisions are proposed to be amended in the following manner:</p> <p><i>“The Company shall follow the requirements of the ‘Guidance Note on Accounting for employee share based Payments’ (Guidance Note) or Accounting Standards as may be prescribed by Institute of Chartered Accountants of India and the SEBI SBEB Regulations, from time to time, including the disclosure requirements prescribed thereunder.</i></p> <p><i>Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under the SEBI SBEB Regulations then the Company shall comply with the relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India from time to time.”</i></p>
Clause Q (2)	<p>Variation of scheme</p> <p>The Companies Act and SEBI SBEB & SE Regulations require the prior approval of shareholders for effectuating any amendments to an ESOP plan. Further, such variations should not be prejudicial to the interests of the options grantees.</p>

Clause No.	Proposed Clause
	<p>Companies can vary the terms of the plan to meet any regulatory requirement without seeking shareholders' approval under the SEBI SBEB & SE Regulations.</p> <p>The clause is proposed to be revised as follows:</p> <p><i>"2. The notice for passing special resolution for variation of terms of this Scheme shall disclose in full the details of the variation, the rationale therefor and the details of the employees who are beneficiaries of such variation. Provided further that, post Listing, the Nomination and Remuneration Committee may revise any of the terms and conditions of the ESOS to meet any regulatory requirements without seeking shareholders' approval."</i></p>
Clause R	<p>Regulatory approval</p> <p>The Company shall be required to comply with the SEBI SBEB & SE Regulations post listing of its shares. The clause is proposed to be revised as follows:</p> <p><i>"This ESOS shall be subject to such regulatory approvals as may be required from time to time in terms of Applicable Laws. Further, for Listing of shares issued pursuant to the ESOS, the Company shall obtain in-principle approval of the stock exchanges where it is proposed to list the said shares.</i></p> <p><i>The Company shall make the requisite disclosures in respect of the Scheme, in the manner specified under the Applicable Laws."</i></p>

PART – B

It is proposed to include the following additional terms/ modify the terms in the ESOS - 2022 to provide ease of administration of the options under the ESOS - 2022. The amendments provided in Part B herein shall apply to current and future option holders of ESOS - 2022.

Clause No.	Proposed Clause
Clause C (2)	<p>Eligible Employees</p> <p>This clause is proposed to be amended as follows to permit the grant of the options beyond the thresholds mentioned herein with the prior approval of the shareholders of the Company, subject to Applicable Laws:</p> <p><i>"2. Further, no single Employee/ director shall be Granted Options under this ESOS entitling such Employee/ director to Equity Shares in the Company which would represent more than 1% (one percent) of the paid-up share capital of the Company as on the date of Grant of Options or 10% (ten percent) of the total number of Options Granted under this ESOS at the time of Grant (which shall be adjusted in lieu of adjustments/re-organisation of capital structure of the Company from time to time) unless requisite approval of the shareholders of the Company has been obtained in this regard and it is in compliance with Applicable Laws."</i></p>
Clause F	<p>Date of Grant of Options</p> <p>This clause is proposed to be amended as follows to clarify that the date of grant of options may be the date of the passing of the resolutions by the Nomination and Remuneration</p>

	<p>Committee or any other date as determined by the Nomination and Remuneration Committee as well:</p> <p><i>“The date of Grant of an Option shall be the date of passing the resolution by the Nomination and Remuneration Committee for the Grant of such Option to an Employee or any other date as may be specified by the Nomination and Remuneration Committee and provided for in the letter of grant to Employees.”</i></p>
<p>Clause H</p>	<p>Vesting of options and Conditions of Vesting</p> <p>Under the SEBI SBEB & SE Regulations, the minimum vesting period of 1 (one) year is mandated, except in the case of death and permanent disability. Therefore, it is proposed to be clarified that post listing, this requirement of a minimum vesting period of 1 (one) year between the date of the grant and vesting shall not apply in case of death and permanent disability.</p> <p>Further, (i) the maximum vesting period under the ESOS - 2022 as approved by the shareholders is 5 years from the date of grant of the options; and (ii) given that the definition of employees (who are entitled to receive options) includes employees of subsidiary company, in or outside India, and holding company of the Company (until listing) and the employees of group companies (including subsidiary and associate companies, in or outside India, and holding company and such other permitted group companies) of the Company (post listing), the clause is proposed to be revised as follows:</p> <p><i>“2. There shall be a minimum period of 1 (one) year between the Grant of Options and Vesting of Option, provided that in case(s) where Options are Granted in lieu of Options held by any Employee under an employees stock option scheme in another company, which merges or amalgamates with the Company (hereinafter referred to as merging or amalgamating company), the period during which the Options Granted by such merging or amalgamating company were held by said Employee shall be adjusted against the minimum Vesting Period required under this clause. Notwithstanding anything contained hereinabove, post Listing, in case of death or permanent incapacity/disability of an Option Grantee, the minimum vesting period of 1 (one) year shall not apply.</i></p> <p><i>3. The maximum period of Vesting shall be 5 (Five) years from the date of Grant or as may be determined by the Nomination and Remuneration Committee, which shall not exceed the period of 5 (five) years from the date of Grant of Options.”</i></p> <p><i>4. Vesting of Options would be subject to conditions as may be specified by the Nomination and Remuneration Committee, including continued employment with the Company (or its Holding Company or Subsidiary Company or Associate Company or Group company, as applicable).”</i></p>
<p>Clause I</p>	<p>The Effect of Death, Permanent Disablement, Resignation and Termination of the Employment on the Vesting of Options</p> <p>Given that the definition of employees (who are entitled to receive options) includes employees of subsidiary company, in or outside India, and holding company of the Company (until listing) and the employees of group companies (including subsidiary and associate</p>

	<p>companies, in or outside India, and holding company and such other permitted group companies) of the Company (post listing), the clause is proposed to be revised as follows:</p> <p><i>“No option shall Vest in any employee if the employee ceases to be in the employment of the Company (or its Holding Company or Subsidiary Company or Associate Company or Group company as applicable) before the date of vesting of the options except in the following cases:”</i></p>
Clause I (1) (c)	<p>The Effect of Death of an Employee on the Vesting of Options</p> <p>The clause is proposed to be revised as follows:</p> <p><i>“c. To enable the Employees to nominate persons in respect of the Options, the Company shall make available to the Employees specific nomination forms from time to time. In case of the death of any Option Grantee who has not nominated any person(s), the Options shall be Exercisable by the legal heir(s) / successor(s) of such Option Grantee, provided that the legal heir(s) / successor(s) shall be required to produce/furnish to the Company all such documents / indemnities as may be required by the Company to prove the succession to the assets of the deceased Option Grantee.”</i></p>
Clause J (4)	<p>Process of Exercise of Options</p> <p>The clause is proposed to be revised as follows:</p> <p><i>“4. It is hereby clarified that, subject to Applicable Laws, the Options can be exercised only after they are Vested in the Employees and the allotment of Equity Shares in respect thereof shall be made within 21 (twenty-one) days from the last date specified for the Exercise of Options in each month / period. Hence if an Option is exercised at any time between 1st (first) of any month till the last date specified for Exercise of Options for that month, the allotment shall be made within 21 (twenty-one) days from the said last date specified for Exercise of Options for that month.”</i></p>
Clause (K)(2)	<p>Lapse of Options and Granting thereof</p> <p>The clauses are proposed to be revised as follows to clarify the treatment of vested options that are not exercised within the requisite time period:</p> <p><i>“2. If the Options are not Exercised by the concerned Employees within a period of 7 (seven) years from the relevant date of Vesting of such Options, the right of the Employee to Exercise the Option and apply for Equity Shares shall forthwith lapse.”</i></p>

5. Rationale for the variation of ESOS - 2022:

- a. The amendments, including those mentioned herein (as Part A), are proposed to be undertaken in order to comply with the SEBI SBEB & SE Regulations on the listing of the Company and make corresponding changes in the ESOS - 2022.
- b. The amendments, including those mentioned herein (as Part B), are proposed to be undertaken in order to provide further clarification and to ease of administration of options under the ESOS - 2022.
- c. The proposed amendments also contain certain editorial changes, and consistency changes.
- d. The proposed amendments are not detrimental/prejudicial to the interest of the option holders.

6. Details of the employees who are beneficiaries of such variation:

The beneficiaries of such variation are the 'Employees' who have been granted options and who will be granted options under the ESOS - 2022.

The Resolutions contained at Item No. 4 seek to obtain the approval of members by way of a special resolution, for amendments to the ESOS - 2022 and do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the foregoing.

In view of the aforesaid, the Board of Directors at their meeting held on September 20, 2024 approved amendments to the ESOS – 2022. Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 4 of this Notice.

The Board thereby recommends the passing of the proposed resolutions stated in Item No. 4 of the notice of meeting for approval of members as a special resolution.

Pursuant to Section 102 of the Act, the Board do hereby confirm that none of the directors and key managerial personnel (as defined under the Act) and their immediate relatives is concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company or to the extent they are granted any employee stock options under the ESOS - 2022, in accordance with the applicable law.

Item No. 5

The Company proposes to undertake an Initial Public Offering (“**IPO**”) of Equity Shares of face value of ₹ 10 each of the Company (“**Equity Shares**”) which shall consist of a Fresh Issue of Equity Shares (“**Fresh Issue**”) and an Offer for Sale of Equity Shares by certain existing shareholders (“**Selling Shareholders**”) (“**Offer for Sale**” and together with the Fresh Issue, the “**Offer**”). The Company intends to at the discretion of the Board of Directors of the Company (“**Board**”), undertake the Offer and list its Equity Shares, at an opportune time in consultation with the Book Running Lead Managers (“**BRLMs**”) and other Advisors and subject to applicable regulatory approvals and other approvals, to the extent necessary.

In view of the above and in terms of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 (“**the Act**”), the approval of the Shareholders of the Company is required through a Special Resolution. The Company proposes to allot such number of Equity Shares in the Fresh Issue aggregating up to ₹ 2,500 Crore on such terms and at such price or prices and at such time as may be considered appropriate by the Company in consultation with the BRLMs, to the various categories of permitted investors who may or may not be the Shareholder(s) of the Company in the Initial Public Offer by way of Book Building method under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”). The Equity Shares, if any, allotted vide the Offer shall rank in all respects pari-passu with the existing Equity Shares of the Company. The proceeds of the Fresh Issue will be utilised for the purposes that shall be disclosed in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus. The Board has the authority to modify the above objects on the basis of the requirements of the Company, in accordance with applicable laws.

In view of the aforesaid, the Board of Directors at their meeting held on September 20, 2024 approved Initial Public Offer of Equity Shares of the Company. Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 5 of this Notice.

The Board recommends the resolution in Item No. 5 of the accompanying Notice for your approval as Special

Resolution. Accordingly, approval of the Shareholders of the Company is sought to issue Equity Shares under Section 62(1)(c) and other applicable provisions of the Companies Act and the rules and regulations made thereunder, each, as amended.

None of the Directors and Key Managerial Personnel, Senior Managerial Personnel or their relatives or any other officials of the Company except to the extent of their shareholding in the Company is in any way, financially or otherwise, concerned or interested in the resolution.

Item No. 6

Nomination and Remuneration Committee in its meeting held on September 16, 2024 had undertaken the due diligence process and recommended appointment of Mr. Bhaskar Sharma 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. Bhaskar Sharma as an Independent Director of the Company to hold office for a period of three (3) years commencing from September 16, 2024 till September 15, 2027.

The Company has received declaration from Mr. Bhaskar Sharma 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. Bhaskar Sharma 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. Bhaskar Sharma is a person of integrity and has relevant experience and expertise to be appointed as an Independent Director of the Company. Mr. Bhaskar Sharma 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. Bhaskar Sharma for appointment as an Independent Director of the Company.

Brief Profile of Mr. Bhaskar Sharma:

Mr. Bhaskar Sharma has completed his double post-graduation degrees. He has done Master in Management Studies and Science (India). He also has done the Leadership Development Programme (INSEAD). His areas of expertise are marketing, brand building, building profitable businesses and categories through innovation led growth, lead high-caliber multi-cultural teams, micro-marketing and 3D consumer activation. He has over 35 years in FMCG companies such as Red Bull, Unilever, Bestfoods, etc. He is currently working as the Advisor to Red Bull India and an Independent Director on Polycab India Limited and on the Board of European Business Group (EBG). He is also a Member of the Board of Studies for courses at NMIMS, Mumbai and partner at Social Venture Partners (SVP).

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. Bhaskar Sharma
DIN	02871367
Age	61 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 September 16, 2024 till September 15, 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 2023-24)	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 2023-24	N.A.
Other Directorships (excluding HDB Financial Services Limited)	Polycab India Limited, Independent Directors EBG Federation, Additional Director
Membership / Chairmanship of Committees of other Board	Polycab India Limited CSR & ESG Committee - Member Risk Management Committee - Member Stakeholders Relationship Committee – Member EBG Federation Delhi Council - Member Events & Programs - Member FMCG - Member

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. Bhaskar Sharma 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. September 16, 2024 till September 15, 2027 (both days inclusive).

Copy of the letter of appointment of Mr. Bhaskar Sharma 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. 6 of this Notice for the approval of the Members.

Except Mr. Bhaskar Sharma, 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.

Item No. 7

Nomination and Remuneration Committee in its meeting held on September 16, 2024 had undertaken the due diligence process and recommended appointment of Mr. Jayant Gokhale 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. Jayant Gokhale as an Independent Director of the Company

to hold office for a period of three (3) years commencing from September 16, 2024 till September 15, 2027.

The Company has received declaration from Mr. Jayant Gokhale 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. Jayant Gokhale 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. Jayant Gokhale is a person of integrity and has relevant experience and expertise to be appointed as an Independent Director of the Company. Mr. Jayant Gokhale 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. Jayant Gokhale for appointment as an Independent Director of the Company.

Brief Profile of Mr. Jayant Gokhale:

Mr. Jayant Gokhale holds Bachelor’s degree in Commerce and Legislative Law. He is also a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He is a former Member of Committee formed by ICAI to lay down Roadmap for Convergence of Indian AS with IFRS and currently is member of Committee of Reserve Bank of India for Merger / Amalgamation of Urban Co-op Banks and IRDAI- Standing Committee on Accounting Issues (SCAI). He is a founder partner of Gokhale & Sathe Chartered Accountants, Mumbai. Setup in 1982, his firm has been the statutory auditor for leading Banks, Financial Institutions, NBFCs, PSUs and Corporates. He has been a faculty at leading institutes and authored 2 publications.

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. Jayant Gokhale
DIN	00190075
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 appointed as an Independent Director of the Company for a period of 3 years effective from September 16, 2024 till September 15, 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 2023-24)	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 2023-24	N.A.

Other Directorships (excluding HDB Financial Services Limited)	Franklin Templeton Trustee Services Private Limited, Director
Membership / Chairmanship of Committees of other Board	Franklin Templeton Trustee Services Private Limited Audit Committee- Member Risk Management Committee- Member

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. Jayant Gokhale 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. September 16, 2024 till September 15, 2027 (both days inclusive).

Copy of the letter of appointment of Mr. Jayant Gokhale 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 Mr. Jayant Gokhale, 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, 2nd Floor,
Law Garden Road, Navrangpura,
Ahmedabad -380009

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

**Place: Mumbai
Date: September 20, 2024**