



**HDB Financial Services Limited**

**Corporate Identity Number:** U65993GJ2007PLC051028

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

**Corporate Office:** 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, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022, 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: TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS WITH HDFC BANK LIMITED FOR FINANCIAL YEAR 2025-26**

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

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 (“**Act**”) and other applicable provisions of the Act read with any other applicable rules and regulations made thereunder, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, including any amendment(s), modification(s), circular(s), variations or re-enactment(s) thereof, the Company’s Policy on Related Party Transactions and as per the recommendation /

approval of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for entering into and / or continuing with arrangements / contracts / agreements / transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), with HDFC Bank Limited (“**HDFC Bank**”), holding Company, being a related party of the Company, for the financial year 2025-26, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise as mentioned hereunder and as set out in the explanatory statement annexed to this Notice, notwithstanding the fact that all such transactions during the financial year 2025-26, whether individually and/or in the aggregate, may exceed 10% of the annual consolidated turnover as per the Company’s last audited financial statements or Rs. 1,000 Crores, whichever is lower or any other materiality threshold as may be applicable under laws/ regulations from time to time, provided that such arrangement(s) / contract(s) / agreement(s) / transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company:

- (i) To avail any loans or advances, credit facilities, or any other form of fund-based facilities, and/or guarantees, letters of credit, or any other form of non-fund based facilities, sanctioned up to an amount and on such terms and conditions (including rate of interest, security, tenure etc.) as permissible under applicable laws and relevant policies of the Company;
- (ii) To sell loans or loan pools by way of assignment/securitisation of loans and servicing arrangements;
- (iii) Issuance of debt securities viz. non-convertible debentures of the Company to HDFC Bank for which HDFC Bank may act as an arranger/ syndicate banker, including investment by HDFC Bank as permitted by applicable laws;
- (iv) To provide sales/ back-office support services and collection services for fees;
- (v) Placing fixed deposits and receipt of interest on fixed deposits;
- (vi) Any other transactions/arrangements as provided in the explanatory statement including those entered in the course of business of the Company including maintaining current accounts with HDFC Bank and payment of service charges for banking transactions;

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

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

**Item No. 2: TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS WITH HDFC LIFE INSURANCE COMPANY LIMITED FOR FINANCIAL YEAR 2025-26**

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

“**RESOLVED THAT** pursuant to Section 188 of the Companies Act, 2013 (“**Act**”) and other applicable provisions of the Act read with rules and regulations made thereunder, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, including any amendments, modification(s), circular(s), variations or re-enactment(s) thereof, the Company’s Policy on Related Party Transactions and as per the recommendation / approval of the Audit

Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**Board**”, which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for entering into and / or continuing with arrangements / contracts / agreements/ transactions (whether individual transaction or transactions taken together or series of transactions or otherwise), with HDFC Life Insurance Company Limited (“**HDFC Life**”), being a related party of the Company, for the financial year 2025-26, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise as mentioned hereunder and on as set out in the explanatory statement annexed to this Notice, notwithstanding the fact that all such transactions during the financial year 2025-26, whether individually and/or in the aggregate, may exceed 10% of the annual consolidated turnover as per the Company’s last audited financial statements or Rs. 1,000 Crores, whichever is lower or any other materiality threshold as may be applicable under law/ regulations from time to time, provided that such arrangement(s) / contract(s) / agreement(s) / transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company:

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

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

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

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

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

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

**Mumbai  
January 14, 2025**

**NOTES:**

1. The Explanatory Statements pursuant to Section 102 of the Act setting out material facts and reasons in respect of the special business under the Resolutions as set out above, are annexed hereto and forms part of this Notice.
2. The Board of Directors of the Company has appointed Mr. Mitesh Shah of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary, Mumbai, as the Scrutiniser, for the Postal Ballot to be conducted through remote e-voting in a fair and transparent manner.
3. In compliance with the MCA Circulars, the Notice is being sent by electronic mode only to those Members whose names appears in the Register of Members / List of Beneficial Owners maintained by the Company/ Depositories i.e. National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) respectively as at close of business hours on Friday, February 7, 2025, (“Cut-off date”) and whose e-mail addresses are registered with the Company / Depositories.

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

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

Members may please note that, the Notice will also be available on the Company's website at [www.hdbfs.com](http://www.hdbfs.com), on the website of stock exchanges where the Company's debt securities are listed i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.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 Thursday, February 13, 2025 and ends at 05:00 p.m. (IST) on Friday, March 14, 2025. During this period Members' of the Company, as on the cut-off date of Friday, February 7, 2025 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. Friday, March 14, 2025. Members who wish to inspect the documents are requested to

send an email to [compliance@hdbfs.com](mailto:compliance@hdbfs.com) mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.

**10. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of 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 Aadhaar Card) to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or log on to <https://swayam.linkintime.co.in/>. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 11 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
- (ii) Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.

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

- (i) Pursuant to the MCA Circulars, the Members who have not registered their email address and in consequence the Notice could not be serviced to them may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, MUFG Intime India Private Limited, by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) and follow the registration process as guided thereafter. Post successful registration of the email, the Members would get soft copy of the Notice and the procedure for remote e-voting along with the User ID and Password to enable e-voting for this Postal Ballot. In case of any queries, the Members may log on to <https://swayam.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"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store         </div> <div style="text-align: center;">  Google Play         </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click</li> </ol>

Type of Members	Login Method
	<p>on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Members (holding securities in demat mode) logging through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 022 - 4886 7000.
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 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.nsd.com/> with your existing IDEAS login. Once you are login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically
- 5) Your User ID details are given below:

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

- 6) Your password details are given below:
  - a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    - i. If your email address is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email address. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. In case you have not registered your email address, please follow procedure with respect to registration of email addresses as mentioned in Note no. 10 of this Notice.
- 7) If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) If you are still unable to get the password by aforesaid option, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number, your PAN, your name and your registered address, etc.
  - c) Members can also use the one-time password (OTP) based login for casting the votes on the e-voting system of NSDL.



- 8) After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
- 9) Now, you will have to click on “Login” button.
- 10) After you click on the “Login” button, Home page of e-voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select the EVEN for the Company which is 132992.
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 Aadhaar Card) to [compliance@hdbfs.com](mailto:compliance@hdbfs.com). If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. Login method for e-voting for Individual Members holding securities in demat mode.
2. Alternatively, Members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user ID and password for e-voting by providing above mentioned documents.

**General Guidelines for Members:**

1. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to [mitesh@mjshah.com](mailto:mitesh@mjshah.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority

Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
  3. In case of any queries relating to e-voting you may refer to the FAQs for Members and e-voting user manual for Members available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 022 - 4886 7000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com)
  4. In case of any other queries, Members can contact: M/s. MUFG 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. Members may also visit: <https://swayam.linkintime.co.in/> for registering their queries.
12. The Scrutiniser shall submit a consolidated report of the total votes cast in favour or against, if any, on each of the resolutions set out in this Notice, not later than three days of conclusion of the Postal Ballot to the Chairman. The result of the voting will be announced within three days after the conclusion of the Postal Ballot at the Company's website at [www.hdbfs.com](http://www.hdbfs.com). The resolutions, if assented by the requisite majority, shall be deemed to be passed on the last date specified for e-voting, in terms of the Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

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

### **Item No. 1**

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

A transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) 10% of the annual consolidated turnover as per the last audited financial statements of the Company or Rs. 1,000 Crores, whichever is lower. The annual consolidated turnover of the Company for the financial year 2023-24 was Rs. 14,171.12 Crores.

Accordingly, the Company is required to comply with Regulation 23 of the SEBI Listing Regulations with respect to material related party transactions proposed to be undertaken during financial year 2025-26.

Pursuant to the provisions of Section 188 of The Companies Act, 2013 ("the Act"), read with The Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain consent of the Audit Committee, Board of Directors and also prior approval of the Shareholders by way of Ordinary Resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules.

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

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

The Company borrows money from various banks to meet the funding requirements of the Company and/or for general corporate purpose. Funded and non-funded facilities are availed by the Company in ordinary course of business from various banks on the basis of sanctioned amount and agreement entered with various banks, including HDFC Bank in accordance with the policies of the Company uniformly applicable for all borrowing done by the Company. Type of facility, terms, end-use and tenure of the transaction, in each case, depends on the funding requirements of the Company and the prevailing market rates. The value of transactions proposed in financial year 2025-26 would be up to Rs. 18,000 Crores i.e. approx. 127.02% of annual consolidated turnover of the Company for the financial year 2023-24. The facilities are availed by the Company on the basis of competitive rates received for similar type of loans from other banks at that point in time. The interest payment and fee payment are consequential to the transactions originating out of principal transactions in the form of loan, guarantees, cash credit etc. Therefore, the quantum of such consequential transactions depends on the value of the principal transaction. HDFC Bank is one of the largest lenders in India and it is in the interest of the Company to have HDFC Bank as one of the lenders to ensure high availability of resources. The transactions are undertaken to meet the funding requirements of the Company in accordance with the policies and procedures of the Company and are undertaken in the ordinary course of business and therefore, in the interest of the Company.

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

The Company may undertake to sell, assign assets including receivables / book debts of the Company in favour of banks/ financial institutions, other investing agencies and trustees for the holders of the debentures/ bonds/pass through certificates/ security receipts and other instruments in accordance with RBI regulations and policies of the Company. The Company may undertake securitisation / loan assignment transactions and other transactions with HDFC Bank. HDFC Bank is one of the largest Banks in India and exposure to HDFC

Bank along with other lenders provides additional leverage to the Company to borrow from multiple sources. The Company may create fixed deposits with HDFC Bank for the purpose of securitisation/assignment transaction at the reckoner rates published by the HDFC Bank. The value of transactions proposed in financial year 2025-26 would be up to Rs. 5,000 Crores i.e. approx. 35.28% of annual consolidated turnover of the Company for the financial year 2023-24. The Company benefits from the securitisation / loan assignment transactions by raising funds at a very competitive rates and is therefore, in the interest of the Company.

### **Issuance of debt securities**

The Company, in the ordinary course of its business, raises funds by way of issuance of debt securities depending upon the prevalent market conditions, cost of funds, tenor etc. through private placement in accordance with policies of the Company. The investment in Non-Convertible Debenture of the Company happens through Electronic Bidding Platform of Stock Exchanges as per the prescribed SEBI norms. The HDFC Bank may act as an arranger/syndicate banker for such issuances, and may also invest in the debt securities issued by the Company to the extent permitted by the applicable laws and regulations. The issuance would be made at the terms uniformly applicable to all investors (including HDFC Bank). The interest payment and arranger fee are consequential to the principal transactions and would be in accordance with the terms of issue uniformly applicable to all investors/arrangers. This is in furtherance of the fund raising activities of the Company and in the interest of the Company. The value of transactions proposed in financial year 2025-26 would be up to Rs. 18,000 Crores i.e. approx. 127.02% of annual consolidated turnover of the Company for the financial year 2023-24.

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

The Company provides sales/ back office support services and collection services such as forms processing, and document verification, finance, and accounting operations and processing support to HDFC Bank. The Company has a contract with the HDFC Bank for providing back office services, sales support and collection services. This is a specialised service provided by the Company to HDFC Bank based on expertise developed over many years (including hiring of skilled staff) and helps maintain its superior knowhow on the back office services, sales support service and collection services. Therefore, the transaction is in the interest of the Company. The value of transactions proposed in financial year 2025-26 would be up to Rs. 4,500 Crores i.e. approx. 31.75% of annual consolidated turnover of the Company for the financial year 2023-24.

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

The Company invests excess funds in fixed deposits as a liquidity management tool with various banks including HDFC Bank. The fixed deposits are created as per the reckoner rates published by the HDFC Bank. Since, the Company places the excess funds for short term and long term benefit at the best rates available, this transaction is in interest of the Company. The value of transactions proposed in financial year 2025-26 would be up to Rs. 2,000 Crores i.e. approx. 14.11% of annual consolidated turnover of the Company for the financial year 2023-24. The interest on fixed deposits shall be as per banks pricing grid prevailing from time to time and hence the amounts cannot be estimated.

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

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

Bank to its customers. These transactions were regular business transactions of Company. Therefore, the transactions were in the interest of the Company.

### **Other transactions**

The other transactions/ arrangements with HDFC Bank inter-alia are in the nature of fees, commission, brokerage, reimbursements, logo fee, cash management services, rent, rental deposit, professional charges, Bharat Bill payment system services, software license any other income/expenses, purchase/sale of fixed assets and other services such as depository participant, custodian services, investment banking related services etc. in furtherance towards the ordinary course of business of the Company.

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

In the financial years 2025-26, the aforementioned transactions, individually or in aggregate may cross the applicable materiality thresholds under Regulation 23 of the SEBI Listing Regulations. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for grant of authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for all these arrangements / contracts / agreements/ transactions to be undertaken (whether individual transaction or transactions taken together or series of transactions or otherwise) with HDFC Bank being the holding company and a related party of the Company, whether by way of continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangements / contracts / agreements/ transactions or as fresh and independent transaction (s) or otherwise, in the financial year 2025-26. The above transactions are in the ordinary course of business of the Company and on an arm's length basis.

The Audit Committee of the Company has on the basis of the relevant details provided by the management, as required under the law, reviewed and granted approval for the related party transactions proposed to be entered into by the Company with HDFC Bank during the financial year 2025-26 including as stated in the resolution and explanatory statement and has also noted that the said transactions with HDFC Bank are on arm's length basis and in the ordinary course of business of the Company.

Further, the Board at its meeting held on January 14, 2025, subject to the approval of the Shareholders, has approved material related party transactions proposed to be undertaken during financial year 2025-26 with HDFC Bank Limited.

Accordingly, the Board has considered the proposal and recommends passing of the resolution contained in Item No. 1 of the Notice by way of an ordinary resolution.

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

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

The Members may please note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolution under this Item No. 1.

## Item No. 2

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

A transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) 10% of the annual consolidated turnover as per the last audited financial statements of the Company or Rs. 1,000 Crores, whichever is lower. The annual consolidated turnover of the Company for the financial year 2023-24 was Rs. 14,171.12 Crores.

Accordingly, the Company is required to comply with Regulation 23 of the SEBI Listing Regulations with respect to material related party transactions proposed to be undertaken during financial year 2025-26.

Pursuant to the provisions of Section 188 of The Companies Act, 2013 (“the Act”), read with The Companies (Meetings of Board and its Powers) Rules, 2014 (“Rules”), the Company is required to obtain consent of the Audit Committee, Board of Directors and also prior approval of the Shareholders by way of Ordinary Resolution, in case certain transactions with related parties exceeds such sum as specified in the said Rules.

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

### Issuance of debt securities

The Company, in the ordinary course of its business, raises funds by way of issuance of debt securities depending upon the prevalent market conditions, cost of funds, tenor etc. through private placement in accordance with policies of the Company. The investment in Non-Convertible Debentures/Bonds of the Company happens through Electronic Bidding Platform of Stock Exchanges as per the prescribed SEBI norms. The HDFC Life may invest in the debt securities issued by the Company to the extent permitted by the applicable laws and regulations. The issuance would be made at the terms uniformly applicable to all investors (including HDFC Life). The interest payment is consequential to the principal transactions, as the case may be. This is in furtherance of the fund raising activities of the Company and in the interest of the Company. The value of transactions proposed in financial year 2025-26 would be up to Rs. 1,200 Crores i.e. approx. 8.47 % of annual consolidated turnover of the Company for the financial year 2023-24.

### Other transactions

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

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

In the financial year 2025-26, the aforementioned transactions, individually or in aggregate may cross the applicable materiality thresholds under Regulation 23 of the SEBI Listing Regulations. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for grant of authority to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee(s) constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for all these arrangements / contracts / agreements / transactions to be undertaken (whether individual transaction or transactions taken together or series of transactions or otherwise) with HDFC Life,

being the Common Group Company and a related party of the Company, whether by way of continuation(s) or extension(s) or renewal(s) or modification(s) of earlier arrangements / contracts / agreements/ transactions or as fresh and independent transaction (s) or otherwise, in the financial year 2025-26. The above transactions are in the ordinary course of business of the Company and on an arm's length basis.

The Audit Committee of the Company, on the basis of the relevant details provided by the management, as required under the law, reviewed and has granted approval for the related party transactions proposed to be entered into by the Company with HDFC Life during the financial year 2025-26 including as stated in the resolution and explanatory statement and has also noted that the said transactions with HDFC Life are on arm's length basis and in the ordinary course of business of the Company.

Further, the Board at its meeting held on January 14, 2025, subject to the approval of the Shareholders, has approved material related party transactions proposed to be undertaken during financial year 2025-26 with HDFC Life Insurance Company Limited.

Accordingly, the Board has considered the proposal and recommends passing of the resolution contained in Item No. 2 of the Notice by way of an ordinary resolution.

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

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

The Members may please note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party is a party to the aforesaid transactions or not), shall not vote to approve resolution under this Item No. 2.

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

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

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

**Mumbai  
January 14, 2025**