

CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE MEMBERS OF THE COMPANY AT THEIR 15TH ANNUAL GENERAL MEETING HELD ON THURSDAY, JUNE 23, 2022 AT 12 P.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS

TO APPROVE RE-APPOINTMENT OF MR. G. RAMESH AS A MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable rules made thereunder of the Companies Act, 2013 ("Act") and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), regulatory approval, if any and the relevant provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. G. Ramesh (DIN: 05291597) as Managing Director and Chief Executive Officer of the Company, not liable to retire by rotation, for the period of 5 (Five) years w.e.f. July 1, 2022 upto June 30, 2027 (both days inclusive) at the remuneration & perquisites, as set out in the explanatory statement to this item of the Notice of the Annual General Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution) be and are hereby authorised to alter, vary, increase, enhance, widen the said terms and conditions of appointment and remuneration of Mr. G. Ramesh in the best interests of the Company;

RESOLVED FURTHER THAT in case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites (subject to annual review from time to time) as approved by the Nomination and Remuneration Committee / Board of Directors shall be paid as minimum remuneration to Mr. G. Ramesh subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013, from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds and things and execute all such agreements, documents, instruments and writings as may be required, file requisite forms or applications with statutory/regulatory authorities and to delegate all or any of its powers herein conferred to any Committee of Directors or Directors, to give effect to the aforesaid resolution."

Certified true copy
For HDB Financial Services Limited


Dipti Khandelwal
Company Secretary
Membership No. F11340



July 6, 2022

CERTIFIED TRUE COPY OF THE EXPLANATORY STATEMENT TO THE NOTICE OF THE 15TH ANNUAL GENERAL MEETING HELD ON THURSDAY, JUNE 23, 2022 AT 12 P.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS

Item No. 6

The Board of Directors, at their meeting held on April 18, 2017, appointed Mr. G. Ramesh as Managing Director of the Company for a period of 5 years from July 1, 2017 to June 30, 2022. The said appointment was also approved by the members at their 10th Annual General Meeting held on June 23, 2017.

Under the dynamic and able leadership of Mr. G. Ramesh the Company has crossed various milestones and has enhanced the stakeholders' value. Taking into consideration, the valuable contributions made by Mr. G. Ramesh and the need for his strategic directions for the future growth of the Company and based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 18, 2022, re-appointed Mr. G. Ramesh (DIN: 05291597), as the Managing Director and Chief Executive Officer of the Company for a period of 5 (Five) years w.e.f. July 01, 2022 upto June 30, 2027, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013, on the terms and conditions including remuneration as set out hereunder.

Brief profile of Mr. G. Ramesh:

Mr. G. Ramesh holds a bachelor's degree in Engineering from Faculty of Engineering and Technology, Annamalai University and a post graduate diploma in management from Indian Institute of Management, Lucknow. He has also completed a course in International Banking from the Bank of New York. He has over 30 years of experience in the financial services industry.

He is the Managing Director and Chief Executive Officer of the Company. He had joined the Company as the Chief Operating Officer in 2007. He was appointed as Chief Executive Officer of the Company with effect from April 1, 2010 and Managing Director of the Company on July 1, 2012. He has been associated with the Company for over 14 years.

Mr. G. Ramesh has confirmed that he satisfies the fit & proper criteria pursuant to RBI Master Direction and that he has not been disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Managing Director of the Company. In the opinion of the Board, Mr. G. Ramesh fulfils the conditions specified in the Companies Act, 2013 and the applicable RBI guidelines for his re-appointment as Managing Director of the Company.

The Compensation payable to Mr. G. Ramesh on his re-appointment will be as under:

Salary	Rs. 10,39,500 per month
Allowances	Rs. 20,15,560 per month

In addition to the above salary, Mr. G. Ramesh will also be entitled for the following:

- Rent free furnished accommodation including upkeep and maintenance or cash in lieu of accommodation as House rent allowance of Rs. 1,75,000 per month.
- Leave Travel allowance of Rs. 30,000 per month.
- Education allowance of Rs. 200 per month.
- Car for personal and official use in accordance with the Policy of the Company or car allowance for an



amount of Rs. 75,000 per month.

- v. Reimbursement of Telephone / Communication expenses at actual subject to limit of Rs. 5,000 per month for use at his residence.
- vi. Covered under Company Hospitalisation Insurance Scheme.
- vii. Contribution to provident fund, superannuation and gratuity as per relevant policies / schemes / rules of the Company.
- viii. Annual performance bonus as may be determined by the Board of Directors / Nomination & Remuneration Committee of the Board in terms of the Nomination & Remuneration Policy of the Company.
- ix. Stock options under the Employee Stock Option Schemes as may be approved by the Nomination & Remuneration Committee of the Board of Directors or any other person authorised by the Board of Directors or Nomination and Remuneration Committee of the Board in this regard from time to time and to avail of stock options already granted to him as an employee.
- x. Reimbursement of all actual expenses or charges including travel, entertainment or other out of pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business.
- xi. The above remuneration and perquisites may be revised annually in accordance with the terms of the Nomination and Remuneration policy of the Company.

Other details 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. G. Ramesh
DIN	05291597
Age	52 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 or reappointment	Managing Director, not liable to retire by rotation
Details of remuneration sought to be paid	As mentioned in the explanatory statement
Details of the remuneration last drawn by such person (FY 2021-22)	Rs. 5,00,88,851
Date of first appointment on the Board	July 01, 2012
Shareholding in the Company	7,50,500 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during FY 2021-22	8
Other Directorships (excluding HDB Financial Services Limited)	Nil
Membership / Chairmanship of Committees of other Board	Nil

Accordingly, the approval of the Members is being sought to approve the terms and conditions for the re-appointment of Mr. G. Ramesh as Managing Director of the Company, including the payment of remuneration, with effect from July 1, 2022.

This resolution is being proposed as a special resolution in view of the relevant provisions of schedule V to the Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits.

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. G. Ramesh, 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 concerned or interested, financially or otherwise, in the said resolution.

Certified true copy
For HDB Financial Services Limited

Dipti Khandelwal
Company Secretary
Membership No. F11340

July 6, 2022

