

## **HDB FINANCIAL SERVICES LIMITED**

**Corporate Identity Number:** U65993GJ2007PLC051028

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

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

**Tel:** +91 22 4911 6300; **Fax:** +91 22 3958 6666, **Website:** www.hdbfs.com, **email:** compliance@hdbfs.com

### **NOTICE OF 11<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE is hereby given that the Eleventh Annual General Meeting of HDB Financial Services Limited will be held at HDFC Bank House, Final Plot No. 287, Ellis Bridge Township Scheme No. 3, Navrangpura, Ahmedabad, Gujarat - 380 009, on Friday, June 22, 2018 at 12 noon to transact the following business:**

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited financial statements of the Company for the year ended March 31, 2018, including the Audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year ended on that date and the Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend for the financial year 2017-18 and to declare final dividend on equity shares for the financial year ended on March 31, 2018.
3. To appoint a Director in place of Mr. Bhavesh Zaveri (DIN: 01550468), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Statutory Auditors, fix their remuneration and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, consent of Members be and is hereby accorded to re-appoint M/s. B S R & Co., LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), as the Statutory Auditor of the Company to hold office for a term of 5 (Five) years from the conclusion of this Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting of the Company (year 2023), at a remuneration to be determined by the Board of Directors of the Company and reimbursement of out of pocket expenses as may be incurred by them during the course of the Audit;

**RESOLVED FURTHER THAT** approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

#### **SPECIAL BUSINESS:**

5. **TO APPROVE INCREASE IN BORROWING LIMITS OF THE COMPANY FROM ₹ 50,000 CRORE TO ₹ 60,000 CRORE**

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

**“RESOLVED THAT** in supersession of all the resolutions passed earlier in this regard, the consent of the members of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any amendment, modification, variation or re-enactment thereof), to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee duly constituted by the Board to exercise its powers conferred by this resolution) to borrow from time to time, any sum or sums of monies inter alia in the form of term loans from banks, issuance of Non-Convertible Debentures (NCDs), Subordinated Bonds (Tier II bonds), Perpetual Debt Instruments (PDIs), Commercial Papers, Rupee Denominated Bonds or in any other form / security, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s

bankers in the ordinary course of business), may exceed the aggregate of the paid up share capital of the Company, its free reserves and securities premium, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 60,000 crore (Rupees Sixty Thousand Crore Only) or the aggregate of the paid up share capital, free reserves and securities premium of the Company, whichever is higher, and for the said purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and also to negotiate, agree and execute the required documents in this regard with any banks, financial institutions, companies, firms or any other government or semi-government bodies, whether state or central, whether in India or abroad (hereinafter referred to as “the Lender”) for borrowing funds on such terms as may be mutually agreed between the Company and the Lender;

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

**RESOLVED FURTHER THAT** the Common Seal of the Company shall be affixed wherever necessary in presence of any of the above authorised signatories;

**RESOLVED FURTHER THAT** a copy of the aforesaid resolution certified to be true by anyone of the Director or Key Managerial Personnel of the Company, be furnished to appropriate entities for their records and necessary action thereon.”

**6. TO APPROVE INCREASE IN LIMITS FOR CREATION OF CHARGE ON THE ASSETS OF THE COMPANY UPTO AN AMOUNT OF ₹ 60,000 CRORE TO SECURE ITS BORROWINGS**

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

“**RESOLVED THAT** in supersession of all the resolutions passed earlier in this regard, the consent of the members of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(a) and 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any amendment, modification, variation or re-enactment thereof), to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee duly constituted by the Board to exercise its powers conferred by this resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties and / or assets of the Company, both present and future, and in such manner as deemed fit, together with power to mortgage, hypothecate and create charge over the substantial assets of the Company (including the Company’s interest as mortgagee, pledgee etc. in the various properties belonging to the borrowers of the Company) in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/ other instruments and also to issue covenants for negative pledges / negative liens in respect of the said assets and properties in such form and manner as the Board may deem fit and for the said purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and also to execute the required documents including power of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions, trustees etc., to secure loans and/or the issue of debentures whether partly / fully convertible or non-convertible and / or securities linked to Equity Shares convertible / non-convertible bonds, with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹ 60,000 crore (Rupees Sixty Thousand Crore Only) or the aggregate of the paid up capital, free reserves and securities premium of the Company, whichever is higher;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and are hereby authorized to negotiate, finalize and execute with the Lender(s) / Debenture Trustees / Financial Institutions, such documents / agreements / undertakings / indemnities / guarantees as may be

required for creating the aforesaid mortgages, hypothecations, assignments, charges in any other manner and to propose / accept any modifications to the terms and conditions thereto and to do all such acts, deeds and things as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee and / or director(s) and / or officer(s) of the Company, to give effect to this resolution;

**RESOLVED FURTHER THAT** the Common Seal of the Company shall be affixed wherever necessary in presence of any of the above authorised signatories;

**RESOLVED FURTHER THAT** a copy of the aforesaid resolution certified to be true by anyone of the Director or Key Managerial Personnel of the Company, be furnished to appropriate entities for their records and necessary action thereon."

## **7. TO APPROVE SELLING, ASSIGNMENT OF ITS RECEIVABLES/ BOOK DEBTS UPTO ₹ 5,000 CRORE**

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

**"RESOLVED THAT** the consent of the members of the Company be and is hereby accorded, pursuant to the provisions of section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any amendment, modification, variation or re-enactment thereof), to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee duly constituted by the Board to exercise its powers conferred by this resolution) to sell / assign substantial assets including receivables / book debt of the Company in favour of banks / financial institutions, other investing agencies and trustees for the holders of debentures / bonds / Pass Through Certificates and other instruments and also to issue covenants for negative pledges / negative liens in respect of the said assets and properties in such form and manner as the Board may deem fit and for the said purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and also to execute the required documents including powers of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions, trustees etc., from time to time provided that the aggregate amount of such transactions shall not exceed ₹ 5,000 crore (Rupees Five Thousand Crore Only);

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and are hereby severally authorized to negotiate, finalize and execute with the Lender(s) / Debenture Trustees / Financial Institutions such documents / agreements / undertakings / indemnities / guarantees as may be required and to propose / accept any modifications to the terms and conditions thereto and to do all such acts, deeds and things as may be required, with power to settle all questions, difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee and / or director(s) and / or officer(s) of the Company, to give effect to this resolution;

**RESOLVED FURTHER THAT** the Common Seal of the Company shall be affixed wherever necessary in presence of any of the above authorised signatories;

**RESOLVED FURTHER THAT** a copy of the aforesaid resolution certified to be true by anyone of the Director or Key Managerial Personnel of the Company, be furnished to appropriate entities for their records and necessary action thereon."

## **8. AUTHORITY TO ISSUE SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES**

### **a. For renewal of existing limit of ₹ 4,383 Crore**

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 Section 71 read with Section 42 and all other applicable provisions, if any of the Companies Act, 2013 ('the Act'), read with the Companies (Share Capital and Debentures) Rules, 2014, and Companies (Prospectus and Allotment of Securities) Rules, 2014, as

amended from time to time, the consent of the members be and is hereby accorded to the Board of Directors of the Company, to offer and/or invite for issue of Secured Redeemable Non-Convertible Debentures (NCDs) on private placement, in one or more tranches, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of NCDs pursuant to the authority under this Resolution shall not exceed the limit of ₹ 4,383 crore (Rupees Four Thousand Three Hundred Eighty Three Crore Only);

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution.”

**b. For approval of new limit of ₹ 10,000 Crore**

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 Section 71 read with Section 42 and all other applicable provisions, if any of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, and Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, consent of the members be and is hereby accorded to the Board of Directors of the Company, to offer and / or invite for issue of Secured Redeemable Non-Convertible Debentures (NCDs) on private placement basis, in one or more tranches, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of NCDs pursuant to the authority under this Resolution shall not exceed the limit of ₹ 10,000 crore (Rupees Ten Thousand Crore Only);

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution.”

**9. AUTHORITY TO ISSUE UNSECURED REDEEMABLE NON-CONVERTIBLE SUBORDINATED BONDS**

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 Section 71 read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Share Capital and Debentures) Rules, 2014, and Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the consent of the members be and is hereby accorded to the Board of Directors of the Company, to make private placement offers, invitations and issue of Unsecured Redeemable Non-Convertible Subordinated Bonds (Subordinated Bonds) in one or more tranches, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of Subordinated Bonds pursuant to the authority under this Resolution shall not exceed the limit of ₹ 1,500 crore (Rupees One Thousand Five Hundred Crore Only);

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution.”

## 10. AUTHORITY TO ISSUE UNSECURED REDEEMABLE PERPETUAL DEBT INSTRUMENTS

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 Section 71 read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Share Capital and Debentures) Rules, 2014, and Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the consent of the members be and is hereby accorded to the Board of Directors of the Company, to make private placement offers, invitations and issue of Unsecured Redeemable Perpetual Debt Instruments (PDIs) in one or more tranches, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of PDIs pursuant to the authority under this Resolution shall not exceed the limit of ₹ 500 crore (Rupees Five Hundred Crore Only);

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution.”

## 11. TO APPROVE SECURITISATION TRANSACTION WITH HDFC BANK LIMITED

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 Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Rule made thereunder (including any amendment, modification, variation or re-enactment thereof) and subject to such other rules, regulations and guidelines as may be applicable from time to time the consent of the members be and is hereby accorded to enter into contract(s) / arrangement(s) / transaction(s) of securitization with the HDFC bank Limited, a related party within the meaning of the aforesaid law, on such terms and conditions as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors);

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution.”



## 12. AUTHORITY TO ISSUE RUPEE DENOMINATED BONDS

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 Section 71 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), including any amendment, modification, variation or re-enactment and other applicable guidelines, directions or laws, the consent of the members be and is hereby accorded to the Board of Directors of the Company, to make private placement offers, invitations and issue of Secured Redeemable Rupee Denominated Bonds (RDBs) in one or more tranches, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor, listing of RDBs, obtaining credit ratings etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of RDBs pursuant to the authority under this Resolution shall not exceed Rupee equivalent to US \$ 500 MN;

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution.”

## 13. TO APPROVE SHIFTING OF REGISTERS AND RECORDS FROM REGISTERED OFFICE TO THE CORPORATE OFFICE

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 Section 94 of the Companies Act, 2013 and Rules made thereunder and other applicable provisions, if any, (collectively referred to as “Act”) the consent of the members be and is hereby accorded, to shift all the Registers required under Section 88 of the Act and records of the Company along with copies of all the Annual Returns prepared by the Company together with the copies of all certificates and documents required to be annexed or attached thereto, kept and maintained at the Registered Office situated at Radhika, 2<sup>nd</sup> Floor, Law Garden Road, Navrangpura, Ahmedabad - 380009 to the Corporate Office situated at Ground Floor, Zenith House, Keshavrao Khadye Marg, Mahalaxmi, Mumbai - 400 034;

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution(s).”

### Registered Office:

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

Mumbai,  
April 16, 2018

### Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto and forms part of the Notice.
2. In respect of the Ordinary Resolution at Item No. 3, a statement giving additional information on the Director seeking re-appointment is annexed herewith to Notice as Annexure

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

Sd/-  
**Dipti Khandelwal**  
**Company Secretary**  
Membership No.: A25592

# Notice



3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
4. The instrument of Proxy, in order to be effective, should be duly completed and lodged with the Company at its registered office not less than forty-eight hours before the scheduled time for commencement of the Meeting.
5. Corporate members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution pursuant to the Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote on their behalf at the said Meeting.
6. Members / Proxies / Representatives should bring the enclosed duly filled Attendance Slip, for attending the Meeting.
7. All the documents referred to in the Notice are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
8. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the AGM.
9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from June 15, 2018 to June 22, 2018 (both days inclusive) for determining the name of the members eligible for payment of final dividend, if approved by the members in the ensuing Annual General Meeting.
10. The final dividend, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after Saturday, June 23, 2018 to those members whose names appear on the Register of Members of the Company on Thursday, June 14, 2018. In respect of the shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') for this purpose.
11. Members are requested to:
  - a) intimate to the Company's Registrar and Transfer Agents, M/s. Datamatics Business Solutions Limited, Plot No. B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai - 400093, changes, if any, in their registered addresses / bank mandates at an early date, in case of shares held in physical form;
  - b) intimate to the respective Depository Participants, changes, if any, in their registered addresses / bank mandates at an early date, in case of shares held in electronic / dematerialised form;
  - c) quote their folio numbers / Client ID and DP ID in all correspondence;
  - d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
12. In support of the "Green Initiative" announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Company / Depository Participants unless the member has specifically requested for a hard copy of the same. The members may send requests to the Company's e-mail ID: [compliance@hdbfs.com](mailto:compliance@hdbfs.com). For members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, will be sent to them in the permitted mode.
13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 11th Annual General Meeting (AGM) by electronic means and the business may be transacted through the e-Voting services. For this purpose, the Company has tied up with CDSL for providing e-Voting services through CDSL's e-voting platform.

14. The ballot voting means Ballot Paper(s) / Poll Paper(s) circulated to the members for voting at the venue of AGM. The members present at AGM venue, if have not cast their votes earlier by way of remote e-voting shall be entitled to exercise their right to vote by filling up the aforesaid Ballot Paper(s) and putting same into Ballot Box kept at the venue of AGM after casting their votes 'in favor' and / or 'against' or as the case may be, for the proposed resolution(s).
15. The members, who have cast their vote prior to the meeting by remote e-voting may also attend the meeting but shall not be entitled to vote again at the meeting. Once a vote is cast by a member, he shall not be allowed to alter it subsequently.
16. Instructions for Voting through electronic means ('e-voting'):
  - (i) The voting period begins from 10:00 a.m. on Tuesday, June 19, 2018 and ends at 05:00 p.m. on Thursday, June 21, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, June 14, 2018 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 CDSL for voting thereafter.
  - (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
  - (iii) Click on "Shareholders / Members" tab.
  - (iv) Now Enter your User ID:
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the CompanyAfter entering the User ID, enter the characters displayed and click on Login.
  - (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used.
  - (vi) If you are a first time user follow the steps given below (which is common for both shareholders holding shares in physical form or in demat form).
    - I. Fill up the following details in the appropriate boxes:
      - a. PAN and
      - b. Any one detail from the following values:
        - Enter the Dividend Bank Account Details as recorded in your demat account or in the company records for the said demat account / folio or;
        - Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
    - \*Shareholders should note that either the Bank Account Details or DOB has to be entered to login.
    - II. After entering these details appropriately, click on "SUBMIT" tab.
  - (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (viii) Members holding shares in demat form and have logged in for an earlier instance of e-Voting and voted on [www.evotingindia.com](http://www.evotingindia.com) should use their existing login and password. Such members who have already logged in earlier would be required to enter only the password after entering the user ID and characters displayed.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the relevant EVSN - 180519001 of 'HDB FINANCIAL SERVICES LIMITED' on which you choose to vote.
- (xi) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolution.
- (xiii) Repeat the voting process for all the resolutions on which you intend to vote.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take prints of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the password then enter the User ID and characters display and click on Forgot Password & enter the details as prompted by the system.

17. Note for Non - Individual Shareholders and Custodians:

- (i) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and click on "Registration" and register themselves as Corporate.
- (ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The physical copy may be mailed separately at the address mentioned on the form.
- (iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (iv) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- (v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact them at 1800 22 5533.
  - a. Your Demat Account / Folio Number has been enrolled by the Company for your participation in the e-voting process on the resolutions placed by the Company on the e-voting system.
  - b. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, June 14, 2018.
  - c. The Notice of the 11th AGM of the Company has already been sent to you along with the Annual Report for the year ended March 31, 2018 and the same can be downloaded from the link <https://www.evotingindia.com/or> <https://www.hdbfs.com/>.

- d. The e-voting period commences on Tuesday, June 19, 2018 (10:00 a.m. IST) and ends on Thursday, June 21, 2018 (5:00 p.m. IST). During this period, shareholders of the Company may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the votes on the resolutions are cast and confirmed, the shareholder cannot change it.
- e. In case of any queries shareholder can contact: M/s. Datamatics Business Solutions Limited, Plot No. B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai - 400 093, Tel No: +91 22- 66712001 to 06, Fax No: +91 22- 66712209, E-mail: manisha\_parkar@datamaticsbpm.com.

18. General Instructions:

- (i) Mr. Mitesh Shah (ACS No.: A30250) of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary have been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner;
- (ii) The Scrutinizers shall immediately, after the conclusion of the voting at the meeting, first count the votes cast at the meeting thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizers thereafter shall submit their Report to the Chairperson after completion of their scrutiny. The result of the voting will be announced within 48 (Forty Eight) hours after the conclusion of the meeting at the Registered Office of the Company;
- (iii) The results declared along with the Scrutinizers' Report shall be available on the Company's website at [www.hdbfs.com](http://www.hdbfs.com) and website of the CDSL within 48 (Forty Eight) hours of conclusion of the meeting.

Members are requested to support the Green Initiative by registering / updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with M/s. Datamatics Business Solutions Limited (in case of Shares held in physical form).

## **EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 5 and 6**

The members of the Company had granted their approval by way of special resolution through postal ballot on June 03, 2017 to the Board of Directors to borrow funds from banks, financial institutions for an amount not exceeding ₹ 50,000 crore (Rupees Fifty Thousand Crore Only) and to mortgage or create charge on all or any of the assets of the Company in favour of the concerned lenders for the purpose of securing the due repayment of the monies borrowed by the Company together with the interest and other monies thereon.

As per the provisions of Section 180(1)(c) and 180(1)(a), respectively, of the Companies Act, 2013, the Board of Directors of a company shall not,

- borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and share premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business, or
- sell, lease or otherwise dispose of the whole or substantially the whole of its undertaking,

without the consent of the members of the company accorded at the General Meeting by means of a 'special resolution'.

For the purpose of funding its lending business operations, the Company raises resources *inter-alia* by borrowing monies from time to time from various persons, firms, bodies corporate, banks, financial institutions, etc. and these borrowings are *inter-alia* secured by mortgage of immovable properties, hypothecation / pledge of movable properties, promissory notes and / or negative liens / pledges on the assets and properties of the Company coupled with power of attorney in favour of such lenders.

In view of expected growth in the loan book of the Company, it is proposed to increase the borrowing limits of the Company from present ₹ 50,000 crore to ₹ 60,000 crore by passing the resolution proposed under item no. 5 as a special resolution. Further, in order to provide security to such loans by way of mortgage or creating charge on the assets of the Company upto ₹ 60,000 crore, resolution under item no. 6 is proposed to be passed as a special resolution.

# Notice



Accordingly, the Board of Directors recommends passing of the special resolutions as set out under item nos. 5 and 6 of this Notice.

Save and except for the shareholding interest, if any, held by them, none of the directors or key managerial personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.

## Item No. 7

Members of the Company are requested to note that Company may raise funds by way of sale / assignment / securitisation of its receivables to any Bank or Financial Institution as per the terms approved by the Board of Directors or Chief Financial Officer of the Company.

The sale / assignment / securitisation of the receivables may result into disposal of undertaking as defined in the explanation to Section 180(1)(a) of the Companies Act, 2013. As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a company shall not sell, assign its receivables / book debts without the consent of the members of the company accorded at the General Meeting by means of a 'special resolution'.

In view of the aforesaid, the Board of Directors at its meeting held on April 16, 2018, has subject to the approval of members, approved to sell, assign / securitize receivables as approved by the members pursuant to Section 180(1)(a) of the Act.

In this regard, the approval of the members is sought for sale / assignment / securitization of its receivables / book debt on such terms and conditions as may be determined by the Board of Directors (or any other person authorized by the Board of Directors), depending on the prevailing market condition.

Accordingly, the Board recommends the resolution as set out at Item No. 7 of the accompanying Notice for the approval of the members

Save and except for the shareholding interest, if any, held by them, none of the directors or key managerial personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.

## Item No. 8 (a) & (b)

The Company has been raising funds by issuing Secured Redeemable Non-Convertible Debentures (NCDs) on private placement basis, from time to time.

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company is required to obtain approval of its members by way of a special resolution, before making any offer or invitation for issue of NCDs on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of NCDs by the Company for a period of 1 year from the date on which the members have provided the approval by way of the special resolution.

The shareholders, at an Annual General Meeting held on June 23, 2017 had accorded their approval to the Company for issuance of NCDs upto a limit of ₹ 7,500 crore. It may be noted that out of the said limit of ₹ 7,500 crore, the Company had so far raised ₹ 3,117 crores and the limit of ₹ 4,383 crore (Rupees Four Thousand Three Hundred Eighty Three Crore Only) is available for further issuance.

The Board of Directors at its meeting held on April 16, 2018, has approved issue of NCDs in one or more tranches, on private placement basis, upto ₹ 4,383 crore and within the overall borrowing limit of ₹ 50,000 crore, subject to the approval of the members.

Further, in terms of the requirements of Resource Planning Policy of the Company and Business planning for the FY 2018 - 19, it is expected that the Company will issue NCDs which shall exceed the aforesaid limit.

In view of the aforesaid, the Board of Directors at its meeting held on April 16, 2018, has also approved issue of NCDs in one or more tranches, on private placement basis, upto ₹ 10,000 crore (Rupees Ten Thousand Crore Only), within the overall borrowing limits of ₹ 60,000 crore (Rupees Sixty Thousand Crore Only) subject to the approval of the members.

It may be noted that in terms of Section 42 of the Companies Act, 2013, the Company will first exhaust current available limit of ₹ 4,383 crore for issuance of NCDs and then offer / invite investors to issue NCDs on the terms and conditions of the said approval.

In view of the above, the approval of the members is sought for issue of NCDs on a private placement basis, in one or more tranches, for a period of 1 (one) year from the date of passing the Resolution, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person authorized by the Board of Directors), at the prevailing market condition.

Accordingly, the Board recommends the resolutions as set out at Item No. 8 of the accompanying Notice for the approval of the members.

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

## Item No. 9

The Company has been raising funds by issuing Unsecured Redeemable Non-Convertible Subordinated Bonds (Subordinated Bonds) on private placement basis, from time to time.

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company is required to obtain approval of its members by way of a special resolution, before making any offer or invitation for issue of Subordinated Bonds on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of Subordinated Bonds by the Company for a period of 1 year from the date on which the members have provided the approval by way of the special resolution.

The shareholders had accorded their approval to the Company for issuance of Subordinated Bonds upto a limit of ₹ 280 crore available for issuance, at the annual general meeting held on June 23, 2017. It may be noted that, the Company had exhausted the said limit.

Further, in terms of the requirements of Resource Planning Policy of the Company and Business planning for the current FY 2018 - 19, it is expected that the Company will issue Subordinated Bonds. Hence, Board of Directors at its meeting held on April 16, 2018, has approved issue of Subordinated Bonds in one or more tranches, on private placement basis, upto ₹ 1,500 crore (Rupees One Thousand Five Hundred Crore Only), within the overall borrowing limits of ₹ 60,000 crore, (Rupees Sixty Thousand Crore Only) subject to the approval of the members.

In view of the above, the approval of the members is sought for issue of Subordinated Bonds on private placement basis, in one or more tranches, for a period of 1 (one) year from the date of passing the Resolution, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person authorized by the Board of Directors), at the prevailing market conditions.

Accordingly, the Board recommends the resolution as set out at Item No. 9 of the accompanying Notice for the approval of the members.

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

## Item No. 10

As per Reserve Bank of India ("RBI") guidelines, Systemically Important Non Deposit Taking Non-Banking Financial Companies may raise their capital funds by issue of Perpetual Debt Instruments (PDIs).

Pursuant to Section 42 of the Companies Act, 2013, read with the Rules made thereunder, the Company is required to obtain approval of its members by way of a special resolution, before making any offer or invitation for issue of PDIs on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of PDIs by the Company for a period of One (1) year from the date on which the members have provided the approval by way of the special resolution.

The shareholders, at an Annual General Meeting held on June 23, 2017 had accorded their approval to the Company for issuance of PDIs upto a limit of ₹ 500 crore. It may be noted that during the FY 2017-18, no issue of PDIs were done, therefore the limit for issuance of PDIs of ₹ 500 crore continues to exist. The Board of Directors at its meeting held on April 16, 2018, has approved issue of PDIs in one or more tranches, on private placement basis, upto ₹ 500 crore and within the overall borrowing limit of ₹ 60,000 crore (Rupees Sixty Thousand Crore Only), subject to the approval of the members.

In this regard, the approval of the members is sought for issue of PDIs on a private placement basis, in one or more tranches, for a period of 1 (one) year from the date of passing the Resolution, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person authorized by the Board of Directors), at the prevailing market condition.

Accordingly, the Board recommends the resolution as set out at Item No. 10 of the accompanying Notice for the approval of the members.

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

## Item No. 11

The Company has been raising funds through securitisation transactions with HDFC Bank Limited ('Bank') for the ongoing requirements of the Company. It may be noted that the Bank is the promoter / holding company of the Company, and currently holds 95.87% of the paid up equity share capital of the Company. Mr. Aditya Puri, Managing Director at the Bank is also on the Board of the Company as a Chairman.

In terms of the provisions of Section 188 of the Companies Act, 2013 ('Act'), Related Party Transactions' ('RPT') need to be approved by Board of Directors if the transaction is not in the ordinary course or not at arm's length. The Company proposes to enter into a securitisation transaction with the Bank, as per the regulatory framework laid down by Reserve Bank of India in the future. To ensure compliance, it is proposed by the Management to have the securitisation transactions to be entered into by the Company with the Bank be approved by the Board and the Shareholders of the Company at the ensuing Annual General Meeting of the Company.

The Board of Directors, at its meeting held on April 16, 2018, has approved securitisation transactions with the Bank, as per the regulatory framework laid down by Reserve Bank of India in the future, subject to the approval of the members.

- i. Name of the Party - HDFC Bank Limited;
- ii. Name of the director or key managerial personnel who is related - Mr. Aditya Puri, Mr. Bhavesh Zaveri and Mr. Jimmy Tata;
- iii. Nature of relationship - Promoter and holding company;
- iv. Nature, material terms, monetary value and particulars of the contract or arrangements - The securitisation transactions in one or more tranches within the overall securitisation limit of ₹ 5,000 crore (Rupees Five Thousand Crore Only), subject to the approval of the members;
- v. Any other information relevant or important for the members to take a decision on the proposed resolution - None;

In view of the above, the approval of the members is sought for entering in to securitisation transactions with the Bank.

Accordingly, the Board recommends the resolution as set out at Item No. 11 of the accompanying Notice for the approval of the members.

Except Mr. Aditya Puri, Mr. Bhavesh Zaveri and Mr. Jimmy Tata none of the Directors, Key Managerial Personnel and their relatives are interested in the passing of the above resolution.

All related parties shall abstain from voting on these resolutions.



## Item No. 12

The Company has been raising funds through various modes in order to fulfil working capital requirement of the Company. As per Reserve Bank of India (RBI) Circular on “External Commercial Borrowings (ECB) Policy - Issuance of Rupee denominated bonds overseas” as amended from time to time and any other applicable Guidelines, Directions or laws, Company is allowed to issue rupee denominated bonds to overseas investors.

Pursuant to Section 42 of the Companies Act, 2013, read with the Rules made thereunder, the Company is required to obtain approval of its members by way of a special resolution, before making any offer or invitation for issue of Rupee Denominated Bonds (RDBs) on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of Bonds by the Company for a period of 1 (One) year from the date on which the members have provided the approval by way of the special resolution.

In view of the above Board of Directors at its meeting held on April 16, 2018, has approved issue of RDBs in one or more tranches, on private placement basis, upto Rupee equivalent US\$ 500 MN and within the overall borrowing limit of ₹ 60,000 crores (Rupees Sixty Thousand Crore Only), subject to the approval of the members.

In this regard, the approval of the members is sought for issue of RDBs on a private placement basis, whether listed or not, rated or not in one or more tranches, for a period of 1 (one) year from the date of passing the Resolution, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person authorized by the Board of Directors), at the prevailing market condition.

Accordingly, the Board recommends the resolution as set out at Item No. 12 of the accompanying Notice for the approval of the members.

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

## Item No. 13

Pursuant to Section 94 of the Companies Act, 2013, all the registers required to be kept maintained under Section 88 and copies of the Annual Return filed under Section 92 are required to be kept at the registered office of the Company (Collectively referred to as “Registers and Records”). However, Company is allowed to keep and maintain Registers and Records at any place in India other than Registered office, provided more than one tenth of the total number of members of the Company reside at that place.

Further more than one tenth of the members of the Company are residing at Mumbai. All the meetings of the Company except Annual General Meeting happens at Mumbai.

In view of the above, the approval of the members is sought to shift all the Registers and Records kept and maintained at the Registered Office situated at Radhika, 2<sup>nd</sup> Floor, Law Garden Road, Navrangpura, Ahmedabad - 380009 to the Corporate Office situated at Ground Floor, Zenith House, Keshavrao Khadye Marg, Mahalaxmi, Mumbai - 400 034

Accordingly, the Board recommends the resolution as set out at Item No. 13 of the accompanying Notice for the approval of the members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the said resolution.

### Registered Office:

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

Mumbai,  
April 16, 2018

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

Sd/-  
**Dipti Khandelwal**  
**Company Secretary**  
ACS No.: A25592

## ANNEXURE

### Details of Director seeking re-appointment at the forthcoming Annual General Meeting

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

Name of Director	Mr. Bhavesh Zaveri
DIN	01550468
Age	52 years
A brief resume, Qualification(s), Experience and Nature of his expertise in specific functional areas, Recognition or awards	B.Com, M.Com, C.A.I.I.B Started career in 1985 as a Banker. Prior to joining HDFC Bank in April 1998, he worked with Barclays Bank for about 8 years. He is a part of the Senior Management at HDFC Bank Ltd
Terms and conditions of appointment or re-appointment	Non-Executive Director (Non Independent), liable to retire by rotation.
Details of remuneration sought to be paid	NA
Details of the remuneration last drawn by such person (F.Y. 2016-17)	NA
Date of first appointment on the Board	May 01, 2016
Shareholding in the Company	2,90,193
Relationship with other Directors and Key Managerial Personnel	None
The number of Meetings of the Board attended during the Financial Year 2017-18.	4
Other Directorships (excluding HDB Financial Services Limited)	1. The Clearing Corporation of India 2. Good & Service Tax Network 3. SWIFT India Domestic Services Private Limited