

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 49116300; **Fax:** +91 22 39586666, **Website:** www.hdbfs.com, **Email:** compliance@hdbfs.com

NOTICE OF 13th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirteenth Annual General Meeting of HDB Financial Services Limited will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on Tuesday, June 30, 2020 at 12 noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) The Audited Standalone Financial Statements of the Company for the year ended March 31, 2020, including the Audited Balance Sheet as at March 31, 2020, 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; and
 - (b) The Audited Consolidated Financial Statements of the Company for the year ended March 31, 2020, including the Audited Balance Sheet as at March 31, 2020, 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 report of the Auditors thereon.
2. To appoint a Director in place of Mr. Jimmy Tata (DIN: 06888364), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. APPOINTMENT OF MR. ADAYAPALAM VISWANATHAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, read with Schedule IV of the Companies Act, 2013 ("Act") (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the Article of Association of the Company and approval and recommendation of the Nomination & Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Adayapalam Viswanathan (DIN: 08518003), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013, was appointed as an Additional Independent Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years with effect from July 24, 2019 upto July 23, 2024 and he shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions."

4. REAPPOINTMENT OF MR. VENKATRAMAN SRINIVASAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, read with Schedule IV of the Companies Act, 2013, the Article of Association of the Company and recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, Mr. Venkatraman Srinivasan (DIN: 00246012), who was appointed as an Additional Independent Director of the Company, by the Board of Directors with effect from March 12, 2020 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a director of the Company, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from March 12, 2020 upto March 11, 2025;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.”

5. REAPPOINTMENT OF MS. SMITA AFFINWALLA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules made thereunder, read with Schedule IV of the Companies Act, 2013, the Article of Association of the Company and recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, Ms. Smita Affinwalla (DIN: 07106628), who was appointed as an Additional Independent Director of the Company, by the Board of Directors with effect from March 12, 2020 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of a director of the Company, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from March 12, 2020 upto March 11, 2025;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.”

6. TO APPROVE INCREASE IN BORROWING LIMITS OF THE COMPANY FROM ₹ 70,000 CRORE TO ₹ 80,000 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 under the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any amendment, modification, variation or reenactment thereof), to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution) to borrow from time to time, any sum or sums of monies inter alia by way of loan / financial assistance from various bank(s), financial institution(s) and/ or other lenders, issue of Debentures / Bonds or other debt Instruments either in Rupee or any other currency with or without security, whether in India or abroad or issue of Commercial

Papers, external commercial borrowings 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), will 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 remain outstanding at any given point of time shall not exceed ₹ 80,000 crore (Rupees Eighty Thousand Crore Only), on such terms and conditions as the Board at its sole discretion may deem fit and for the said purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and also to negotiate, agree and execute the required documents in this regard with any banks, financial institutions, companies, firms 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(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof) be and is hereby authorised to do all such acts, deeds and things as may be required and to finalise the terms & conditions and execute all such agreements, documents, instruments applications etc., as may be required with power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to 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."

7. TO APPROVE INCREASE IN LIMITS FOR CREATION OF CHARGE ON THE ASSETS OF THE COMPANY UPTO AN AMOUNT OF ₹ 80,000 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 under 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 reenactment thereof), to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board, from time to time to exercise its powers conferred by this resolution) to create such 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 bank(s), financial institution(s) and / or other lenders, other investing agencies and trustees for the holders of debentures / bonds / other debt instruments and also to issue covenants for negative pledges / negative liens in respect of the said assets and properties in such form and manner as the Board may deem fit and for the said purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and also to execute the required documents including power of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions, trustees etc., to secure 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 prepayment 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 ₹ 80,000 crore (Rupees Eighty 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(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof) be and are hereby authorised to negotiate, finalise 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.”

8. **AUTHORITY TO ISSUE REDEEMABLE NON-CONVERTIBLE DEBENTURES AND/OR OTHER HYBRID INSTRUMENTS ON PRIVATE PLACEMENT BASIS**

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

“**RESOLVED THAT** pursuant to the provisions of Section 42 & 71 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, Master direction of Reserve Bank of India for Non-Banking Financial Company dated September 01, 2016 (“RBI Master Direction”), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or reenactment to any of the foregoing and other applicable laws, guidelines, direction, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution) to offer and/or invite for issue of Redeemable Non-Convertible Debentures (NCDs), secured or unsecured, fixed rate or market/benchmark linked and/or any other hybrid Instruments (not in the nature of equity shares) including but not limited to Subordinated Bonds, Perpetual Debt Instruments which may or may not be classified as being additional Tier I or Tier II capital under the provisions of the RBI Master Direction, 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 authorised 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 and/or any other hybrid Instruments including but not limited to Subordinated Bonds, Perpetual Debt Instruments pursuant to the authority under this Resolution aggregating up to ₹ 21,202.50 crore (Rupees Twenty One Thousand Two Hundred Two Crore and Fifty Lakh Only) under one or more shelf disclosure document(s) and/or under one or more letter(s) of offer as may be issued by the Company and in one or more series;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee(s) constituted/ to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof), be and is hereby authorised to do all such acts, deeds, 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 FOREIGN CURRENCY/ 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, including any amendment, modification, variation or reenactment 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 Foreign Currency/Rupee Denominated 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, listing of Foreign Currency/Rupee Denominated Bonds, obtaining credit ratings etc., as may be determined by the Board of Directors (or any other person so authorised by the Board of Directors), based on the prevailing market condition;

RESOLVED FURTHER THAT the aggregate amount to be raised through the issuance of Foreign Currency/ Rupee Denominated Bonds pursuant to the authority under this Resolution shall not exceed Rupee equivalent to USD 750 Million;

RESOLVED FURTHER THAT the Board of Directors (including any Committee(s) constituted/to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof), be and is hereby authorised to do all such acts, deeds, 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. TO APPROVE RELATED PARTY TRANSACTIONS WITH HDFC BANK LIMITED

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rule made thereunder (including any amendment, modification, variation or reenactment 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 ratify and enter into contract(s)/arrangement(s)/transaction(s) of securitisation with the HDFC bank Limited, a related party within the meaning of the aforesaid law, within overall securitisation limit of ₹ 6,500 crore (Rupees Six Thousand Five Hundred Crore Only) and on such terms and conditions as may be determined by the Board of Directors (or any other person so authorised by the Board of Directors);

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee constituted/ to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), 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.”

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

Registered Office:
Radhika, 2nd Floor,
Law Garden Road, Navrangpura,
Ahmedabad -380009

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

Place: Mumbai
Date: May 13, 2020

Notes:

1. The Ministry of Corporate Affairs, Government of India (the “MCA”) in terms of the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (the “MCA Circulars”) in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, have allowed the Companies to conduct their Annual General Meeting through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue, subject to the fulfilment of conditions as specified in the MCA Circulars. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

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2. In view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall therefore be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the Company and to all other persons so entitled. Further, the notice for AGM shall be given only through emails registered with the Company or with the depository participant / depository.
3. Accordingly, the financial statements (including Board's report, Auditor's report and other documents required to be attached therewith) / Annual Report for the financial year 2019-20 and AGM Notice are being sent to the shareholders whose email addresses are registered with the Company or with the depository participant / depository. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.hdbfs.com and on the website of NSDL <https://www.evoting.nsdl.com>. The detailed process for registration of email address of the shareholders whose email address is not registered with the Company or depository participants / depository is forming part of this Notice.
4. As per the MCA Circulars, the Shareholders may also note that the Company would not be sending the Annual Report for the financial year 2019-20 and AGM notice by post to the shareholders whose email address is not registered with the Company or depository participants/depository.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional / Corporate Shareholders intending to participate in the Annual General Meeting through their authorised representatives are requested to send a duly certified copy of their Board Resolution / Governing Body resolution / Authorisation letter, etc. authorising their representatives to attend and vote through remote e-voting on their behalf at the said Meeting to csmjshah@gmail.com and compliance@hdbfs.com with a copy marked to evoting@nsdl.co.in
7. The Company is providing remote e-voting facility to all its Members to enable them to cast their vote on the matters listed in the Notice by electronic means and business may be transacted through the e-Voting services.
8. In addition to the remote e-voting facility provided by the Company, the members who have not cast their vote on resolutions through remote e-voting would be given a facility to cast their vote through e-voting during the AGM. The instruction for the same is forming part of this Notice.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. Members seeking any information with regard to the accounts or any matter to be placed at AGM are requested to submit their questions in advance, on or before June 27, 2020 through the Company's email address i.e compliance@hdbfs.com. The same will be replied by the Company suitably.
11. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item no 3 to 10 to be transacted at the meeting, is annexed hereto and forms part of the Notice.
12. The investors are requested to attend the meeting and cast their vote through remote e-voting / e-voting.
13. In respect of the Special Business at Item No. 3, 4 & 5, a statement giving additional information on the Directors seeking reappointment and appointment, is annexed herewith to Notice as Annexure 1.
14. The members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum of the meeting under Section 103 of the Companies Act, 2013.
15. The members desiring to inspect the documents referred to in this Notice and other statutory registers are required to send requests on the Company's email address: compliance@hdbfs.com. An extract of such documents would be sent to the members on their registered email address.

16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
17. 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, however facility for casting vote during the AGM though e-voting would be provided to the members who have not cast their vote through remote e-voting.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, the Company is providing remote e-voting facility to all its Members to enable them to cast their vote on the matters listed in the Notice by electronics means and business may be transacted through the e-Voting services. For this purpose, the Company has engaged services of NSDL for providing e-Voting services.
 - Remote e-voting facility will be available on the website <https://www.evoting.nsdl.com> from 10.00 am on Friday, June 26, 2020 and ends at 05:00 p.m. on Monday, June 29, 2020, after which the facility will be disabled by NSDL and remote e-voting shall not be allowed beyond the said date and time. The notice is also available on the website <https://www.evoting.nsdl.com>. During this period shareholders' of the Company, holding shares in dematerialised form, as on the cut-off date of Tuesday, June 23, 2020 may cast their vote electronically.
 - Instructions for e-voting are given at point no.21
 - The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Tuesday, June 23, 2020.
19. 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.

20. Procedure for registration of email address:

The shareholders 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 aforesaid Circular issued by Ministry of Corporate Affairs, the shareholders who have not registered their email address and in consequence the AGM notice could not be serviced to them may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, by clicking the link: https://linkintime.co.in/emailreg/email_register.html and follow the registration process as guided thereafter. Post successful registration of the email, the shareholder would get soft copy of the AGM Notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this AGM. In case of any queries, shareholder may write to rnt.helpdesk@linkintime.co.in
- (ii) It is clarified that for permanent registration of email address, the members are however requested to register their email address, in respect of demat holdings with the Depository through the concerned Depository Participants.

21. Instructions for Voting through electronic means ('e-voting'):

The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>

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

Details on Step 1 are mentioned below:

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.

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2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

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

5. Your password details are given below:
 - a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c. How to retrieve your ‘initial password’?
 - i. If your email address is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email address. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - c) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. 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 the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 112961.
4. Now you are ready for e-voting as the Voting page opens
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (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 csmjshah@gmail.com with a copy marked to evoting@nsdl.co.in
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 Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800 222 990 or send a request at evoting@nsdl.co.in.
4. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: +91 22 24994545/ 1800 222 990.
5. In case of any other queries shareholder can contact: M/s. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, Tel No: +91 22 49186000, Fax No: +91 22 49186060, Email: rnt.helpdesk@linkintime.co.in or pradeep.mokale@linkintime.co.in

22. Instructions for members for attending the AGM through VC / OAVM are as under:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
2. The link for VC/ OAVM will be available in "shareholders/ members" login where the EVEN of Company will be displayed.
3. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.

4. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Further, a facility will be provided to the shareholders attending the meeting through VC/OAVM whereby they can pose questions concurrently, during the proceeding of the meeting.
5. Please note that shareholders connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. Shareholders are also encouraged to join the meeting through Laptops for better experience.
6. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800 222 990 or contact Mr. Amit Vishal, Senior Manager - NSDL at amitv@nsdl.co.in / +91 22 24994360 or Mr. Sagar Ghosalkar, Assistant Manager - NSDL at sagar.ghosalkar@nsdl.co.in / +91 22 24994553.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID, PAN, mobile number at compliance@hdbfs.com from June 23, 2020 (9:00 a.m. IST) to June 27, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

23. Instruction for e-voting during the AGM

The members who have not cast their vote on resolutions through remote e-voting can cast their vote through e-voting during the AGM by following the instruction as mentioned in point 21 above. The e-voting facility will be enabled during the AGM on June 30, 2020 at 12 noon till the conclusion of the AGM.

24. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
25. Mr. Mitesh Shah (FCS No.: 10070) of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary have been appointed as the Scrutinisers to scrutinise the e-voting process in a fair and transparent manner.
26. The Scrutinisers 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 48 hours from the conclusion of the AGM to the Chairman. The result of the voting will be announced within 48 (Forty Eight) hours after the conclusion of the meeting at the Company's website at www.hdbfs.com;

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

Item No. 3

On the recommendation of Nomination & Remuneration Committee (NRC), Board of Directors of the Company approved appointment of Mr. Adayapalam Viswanathan as an Additional Independent Director of the Company, pursuant to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 with effect from July 24, 2019 till the conclusion of the ensuing Annual General Meeting. The Board proposed appointment of Mr. Adayapalam Viswanathan as an Independent Director, not liable to retire by rotation, to hold office for a period of 5 years effective July 24, 2019 till July 23, 2024. NRC confirms that Mr. Adayapalam Viswanathan satisfies the fit and proper criteria as prescribed under the RBI Master Direction Master Direction RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Brief Profile of Mr. Adayapalam Viswanathan:

Mr. Adayapalam Viswanathan is a Retired Partner of Deloitte Touche Tohmatsu India LLP. He holds a bachelor degree in commerce. He is a member of Institute of Chartered Accountants of India (ICAI), American Institute of Certified Public Accountants (AICPA) and Information Systems Audit & Controls Association (ISACA). He has experience of over 38 years. He had recently led Deloitte relationship for Risk advisory services for Tata Group, Cyber Security Services for Financial Service Industry (FSI) in India and India relationship for Barclays India. He is a Certified Coach in Marshall Goldsmith Stakeholders Centered Coaching, Member of Institute of Directors, India and Governing Council Member, Learning & Organisation Development Roundtable.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from certain Members proposing the candidature of Mr. Adayapalam Viswanathan as an Independent Director of the Company.

Mr. Adayapalam Viswanathan has also given a declaration under section 149(7) of the Act that he meets the criteria for independence as provided under section 149(6) of the Act and fulfils the conditions specified in the Act and the Rules framed thereunder. He has also 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 a Director of the Company.

In the opinion of the Board, Mr. Adayapalam Viswanathan fulfils the conditions specified in the Act and the applicable RBI guidelines for his appointment as an Independent Director of the Company and he is a person of integrity and possesses relevant experience and expertise to be appointed as Independent Director of the Company.

A letter of appointment issued to Mr. Adayapalam Viswanathan setting out the terms and conditions and other material documents are available for inspection.

Accordingly, the approval of the Members is being sought for the appointment of Mr. Adayapalam Viswanathan as an Independent Director of the Company with effect from July 24, 2019 pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules and shall not be liable to retire by rotation.

The Board recommends the passing of the ordinary resolution as set out at Item No. 3 of this Notice for the approval of the Members.

Except Mr. Adayapalam Viswanathan, 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 is concerned or interested, financially or otherwise, in the said resolution.

Item No. 4 & 5

The shareholders of the Company, at its 8th Annual General Meeting, had appointed Mr. Venkatraman Srinivasan (DIN: 00246012) and Ms. Smita Affinwalla (DIN: 07106628) as Independent Directors of the Company for a period of 5 years from March 12, 2015.

The Nomination & Remuneration Committee (NRC) at its meeting held on March 11, 2020, had evaluated the performance of Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla on various grounds such as qualification, knowledge, experience, track record, integrity, number of Board meetings and General meetings attended, their

participation in the meetings, time devoted by them and independent judgment expressed by them. On the basis of evaluation, NRC had recommended reappointment of Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla as Independent Directors (Non-Executive) of the Company, to the Board. Accordingly, the Board reappointed Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla as Additional Independent Directors of the Company to hold office till the ensuing Annual General Meeting and proposed their appointment as an Independent Director, not liable to retire by rotation, to hold office for a second term effective March 12, 2020 till March 11, 2025, subject to approval of the shareholders of the Company.

NRC confirms that Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla satisfy the fit and proper criteria as prescribed under the RBI Master Direction No. RBI/DNBR/2016-17/45 DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Brief Profile of Mr. Venkatraman Srinivasan:

Mr. Venkatraman Srinivasan holds a Bachelor of Commerce (B.Com) degree and is a fellow member of Institute of Chartered Accountants of India since 1981. He is a Partner in M/s. V. Sankar Aiyar & Co., Chartered Accountants, since 1984. He is engaged in audit and assurance practice and direct tax and corporate advisory services since 1984, specialising in statutory audits of banks, mutual funds and financial companies, public sector companies, and in advisory in the areas of Direct Tax, Company Law, the Competition Act, the Foreign Exchange Management Act (FEMA) and Securities and Exchange Board of India (SEBI) matters. He has a work experience of 35 years.

He is a Special Invitee on the Accounting Standards Board of the Institute of Chartered Accountants of India (ICAI) for the F Y 2020-21 and was a Special Invitee on the ITFG Committee of the ICAI for the F Y 2019-20. Participated in the Case Study Based Governance Program on "Audit Committees in this New Era of Governance" at the Harvard Business School.

Brief Profile of Ms. Smita Affinwalla:

Ms. Smita Affinwalla is a MBA (Finance) from the Jamnalal Bajaj Institute of Management Studies and a senior fellow, Human Capital with the Conference Board, USA with over 34 years of experience in the Human Resources and Financial Services Industry. She is the Founder and Managing Director of Illuminos Consulting Private Limited. Smita is also a member of the Industry Advisory Committee of the Indian Institute of Management, Indore. She is a member of the Executive Committee of NHRD Mumbai Chapter and was Co-Chairperson, HR Committee, Indian Merchants Chamber.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from certain Members proposing the candidature of Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla as an Independent Director of the Company. They have given a declaration under section 149(7) of the Act that they meet the criteria for independence as provided under section 149(6) of the Act and fulfil the conditions specified in the Act and the Rules framed thereunder. They have also given their consent for reappointment as a Director of the Company.

In the opinion of the Board, Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla fulfil the conditions specified in the Act and the applicable RBI guidelines for their reappointment as an Independent Director of the Company and they are person of integrity and possess relevant experience and expertise to be reappointed as Independent Director of the Company. A letter of reappointment issued to Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla setting out the terms and conditions and other material documents are available for inspection.

As per the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, an Independent Director can be reappointed for a second term of maximum 5 (five) years by obtaining approval of the shareholders by a way of special resolution.

Accordingly, the approval of the Members is being sought for the reappointment of Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla as an Independent Director of the Company with effect from March 12, 2020 for further period of 5 years till March 11, 2025 pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable rules and shall not be liable to retire by rotation.

The Board recommends the passing of the special resolution as set out at Item No. 4 and 5 of this Notice for the approval of the Members.

Except Mr. Venkatraman Srinivasan and Ms. Smita Affinwalla, being an appointee and their 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 is concerned or interested, financially or otherwise, in the said resolution.

Item No. 6 & 7

In terms of the provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the Members of the Company at the 12th Annual General Meeting held on June 21, 2019 had granted their approval by way of special resolution to the Board of Directors of the Company to borrow, from time to time, such sums of money from banks, financial institutions for an amount not exceeding ₹ 70,000 crore (Rupees Seventy 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 on March 31, 2020, the outstanding borrowings of the Company amounted to ₹ 47,093.93 crore.

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

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

without the consent of the Members of the company 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.

Considering the future business growth in the loan book of the Company and to meet the funding requirement of the business in the Company and in order to provide security to such loans by way of mortgage or creating charge on the assets of the Company, it is proposed to increase the borrowing limits of the Company to ₹ 80,000 crore (Rupees Eighty Thousand Crore Only) by passing the resolution proposed under item no. 6 as a special resolution. Further, in order to provide security to such loans by way of mortgage or creating charge on the assets of the Company up to ₹ 80,000 crore (Rupees Eighty Thousand Crore Only), resolution under item no. 7 is proposed to be passed as a special resolution.

In view of the aforesaid, the Board of Directors at its meeting held on May 13, 2020, has subject to the approval of Members, obtained approval to increase borrowing limits of the Company and to mortgage or create charge on all or any of the assets of the Company as approved by the Members pursuant to Section 180(1)(c) and 180(1)(a) of the Act.

Accordingly, the approval of the Members is being sought by way of special resolution authorising the Board of Directors to borrow further sums of monies within an overall limit of ₹ 80,000 crore (Rupees Eighty Thousand Crore Only) outstanding at any given point of time. The Board recommends passing of the special resolutions as set out under item nos. 6 and 7 of this Notice for approval of the Members.

Save and except for the shareholding interest, if any, held by them, none of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution as set out in Item no 6 and 7.

Item No. 8

The Company has been raising funds by offer and/or invite for issuing redeemable Non-Convertible Debentures, secured or unsecured, fixed rate or market/bench mark linked and/or any other hybrid instruments (not in the nature of equity shares) including but not limited to Subordinated Bonds, Perpetual Debt Instruments which may or may not be classified as being additional Tier I or Tier II capital (hereinafter referred to as "Debt Securities") on private placement basis, from time to time.

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

The shareholders at the 12th Annual General Meeting held on June 21, 2019 had accorded their approval to the Company for issuance of Non-Convertible Debentures as mentioned below:

- A. Non-Convertible Debentures (NCDs) upto a limit of ₹ 19,080.9 crore which included existing limit of ₹ 4080.9 crore and new limit of ₹ 15,000 crore for NCDs. As on March 31, 2020 the Company had raised NCDs of ₹ 7,271.00 crore excluding the outstanding partly paid up NCDs of ₹ 1,200 crore. The limit of ₹ 10,609.90 crore is available for further issuance of NCDs.
- B. Market Linked Debentures (MLDs) up to a limit of ₹ 2361.1 crore which included existing limit of ₹ 361.1 crore and new limit of ₹ 2,000 crore for MLDs. As on March 31, 2020 the Company had raised MLDs of ₹ 125 crore. The limit of ₹ 2,236.10 crore is available for further issuance of MLDs.
- C. Subordinated Bonds (Sub Debts) up to a limit of ₹ 900 crore. Out of the said limit, the Company had raised ₹ 543.50 crore as on March 31, 2020 and the limit of ₹ 356.50 crore is available for further issuance of Sub Debts.
- D. Perpetual Debt Instruments (PDIs) upto a limit of ₹ 700 crore which included existing limit of ₹ 200 crore and new limit of ₹ 500 crore. Out of the said limit, the Company had raised ₹ 200 crore as on March 31, 2020 and the limit of ₹ 500 crore is available for further issuance of PDIs.

Further the Board, at its meeting held on May 13, 2020, had approved above outstanding limit of Debt Securities and had also approved for fresh issue of NCDs of ₹ 7,500 crore. Hence approved limit of NCDs, MLDs, Sub Debts and PDIs for Issuance is ₹ 18,109.90 crore, ₹ 2,236.10 crore, ₹ 356.50 crore and ₹ 500 crore respectively.

In terms of the requirements of Resource Planning Policy of the Company and Business planning for the FY 2020-2021, it is expected that the Company will issue Debt Securities which shall exceed the aforesaid limit. The NCDs proposed to be issued by the Company will be issued for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions.

Pursuant to the notification dated August 07, 2018, by which Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 has been amended, it is now mandated that certain disclosures are required to be made in the explanatory statement annexed to the notice for shareholders' approval under Section 42 of the Companies Act, 2013.

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

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

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- d) Name and address of valuer who performed valuation: Not applicable at this stage. This will be determined by the Board (including any committee duly authorised by the Board thereof), from time to time, for each issuance;
- e) Amount which the company intends to raise by way of such securities: As may be determined by the Board of Directors from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of up to ₹21,202.50 crore (Rupees Twenty One Thousand Two Hundred Two Crore and Fifty Lakh Only);
- f) Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities: This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board (including any committee duly authorised by the Board thereof), from time to time.

In view of the aforesaid, the Board of Directors at its meeting held on May 13, 2020, has approved issuance of Debt securities in one or more tranches, on private placement basis and within the overall borrowing limit of ₹ 80,000 crore (Rupees Eighty Thousand Crore Only), subject to the approval of the Members.

Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 8 of this Notice authorising the Board to issue NCDs and/or any other hybrid instruments (not in the nature of equity shares) which may or may not be classified as being Tier II capital under the provisions of the RBI Master Directions, for an aggregate amount not exceeding ₹21,202.50 crore (Rupees Twenty One Thousand Two Hundred Two Crore and Fifty Lakh Only) on private placement basis during a period of one year from the date of this AGM.

The Board, accordingly, recommends the passing of the special resolution as set out at Item No. 8 of this 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 through various modes in order to fulfill working capital requirement of the Company. As per Reserve Bank of India (RBI) Circular on "External Commercial Borrowings (ECB) Policy - New ECB Framework" 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 Foreign Currency/Rupee Denominated 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 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 May 13, 2020, has approved issue of Foreign Currency/ Rupee Denominated Bonds in one or more tranches, on private placement basis, up to Rupee equivalent USD 750 Million, within the overall borrowing limit of ₹ 80,000 crore (Rupees Eighty Thousand Crore Only), subject to the approval of the Members.

In this regard, the approval of the Members is sought by way of special resolution for issue of Foreign Currency/ Rupee Denominated Bonds 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 authorised by the Board of Directors), at the prevailing market condition.

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

Notice



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. 10

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 95.30% 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. All Securitisation transactions with the Bank are in the ordinary course of business and are at arm's length basis. However, at some instances there might be challenges to provide evidence from third party demonstrating arm's length pricing.

In terms of the provisions of Section 188 of the Companies Act, 2013, Related Party Transactions' ('RPT') need to be approved by Board of Directors in case it is not in the ordinary course of business of the Company or not at arm's length basis. Further, approval of members is required for the RPTs exceeding the prescribed limit as mentioned in Section 188 of the Act. In the future, the Company may enter into a securitisation transaction with HDFC Bank, as per the regulatory framework laid down by Reserve Bank of India. 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 May 13, 2020, 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 Related Party - HDFC Bank Limited
- ii. Name of the director or key managerial personnel who is related - Mr. Aditya Puri 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 ₹ 6,500 crore (Rupees Six Thousand Five Hundred Crore Only)
- 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 by way of ordinary resolution for entering into securitisation transactions with the Bank. The Audit Committee of the Company has also granted approval for other types of transactions with the Bank under the omnibus route for the financial year 2020-2021.

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

Except Mr. Aditya Puri 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.

Registered Office:

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

Place : Mumbai
Date : May 13, 2020

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

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

ANNEXURE 1

Details of Director seeking reappointment 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. Jimmy Tata	Mr. Adayapalam Viswanathan	Mr. Venkatraman Srinivasan	Ms. Smita Affinwalla
DIN	06888364	08518003	00246012	07106628
Age (years)	53	62	61	57
A brief resume, Qualification(s), Experience and Nature of his expertise in specific functional areas, Recognition or awards	Mr. Jimmy Tata holds a Masters in Financial Management from Jamnalal Bajaj Institute of Management Studies (JBIMS) and is a qualified Chartered Financial Analyst. He has over 27 years of experience in banking and financial sector. Presently, he is the Chief Risk Officer and part of Senior Management team of HDFC Bank.	As mentioned in explanatory statement above	As mentioned in explanatory statement above	As mentioned in explanatory statement above
Terms and conditions of appointment or reappointment	Non-Executive Director (Non-Independent), liable to retire by rotation.	Independent Director and not liable to retire by rotation	Independent Director and not liable to retire by rotation	Independent Director and not liable to retire by rotation
Details of remuneration sought to be paid	Sitting Fees	Sitting Fees and Commission	Sitting Fees and Commission	Sitting Fees and Commission
Details of the remuneration last drawn by such person (FY 2019-20)	Disclosed in Form MGT-9 forming part of Director's Report	Disclosed in Form MGT-9 forming part of Director's Report	Disclosed in Form MGT-9 forming part of Director's Report	Disclosed in Form MGT-9 forming part of Director's Report
Date of first appointment on the Board	May 01, 2016	July 24, 2019	March 12, 2015	March 12, 2015
Shareholding in the Company	3,21,021 equity shares	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None	None	None	None

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Name of Director	Mr. Jimmy Tata	Mr. Adayapalam Viswanathan	Mr. Venkatraman Srinivasan	Ms. Smita Affinwalla
The number of Meetings of the Board attended during (FY 2019-20)	6	3	4	6
Other Directorships (excluding HDB Financial Services Limited)	1. International Asset Reconstruction Company Private Ltd 2. Tata Investment Corporation Limited	Nil	Nil	1. Avameh Consulting Private Limited 2. Illuminos Consulting Private Limited 3. Prime Securities Limited
Membership / Chairmanship of Committees of other Board	International Asset Reconstruction Company Member a) Acquisition and Reconstruction Committee b) Nomination & Remuneration Committee c) Existing Portfolio Resolution & Review Committee Tata Investment Corporation Limited Chairman Asset Liability Risk Management and IT Steering Committee Member a) Nomination & Remuneration Committee b) Audit Committee	Nil	Nil	Prime Securities Limited Chairperson a) Stakeholder Relationship Committee Member a) Audit Committee b) Nomination and Remuneration Committee