



## 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 49116666, **Website:** www.hdbfs.com, **Email:** compliance@hdbfs.com

### NOTICE OF 16<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE is hereby given that the Sixteenth Annual General Meeting of HDB Financial Services Limited will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on Friday, 30<sup>th</sup> day of June, 2023 at 12 noon to transact the following business:**

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Auditors thereon.
3. To declare final dividend @11% i.e. Re. 1.10 (Rupee One and Paise Ten Only) on each Equity Share for the financial year ended March 31, 2023.

#### SPECIAL BUSINESS:

##### 4. TO APPROVE APPOINTMENT OF MR. ARIJIT BASU AS A PART-TIME NON-EXECUTIVE CHAIRMAN AND INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 197 read with Schedule IV, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 any other applicable rules made thereunder and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Article of Association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and

approval of the Board of Directors of the Company, Mr. Arijit Basu (DIN: 06907779), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and SEBI Listing Regulations, the consent of the Members of the Company be and is hereby accorded to approve appointment of Mr. Arijit Basu (DIN: 06907779) as a Part-Time Non-Executive Chairman and Independent Director of the Company for a period of three (3) years commencing from May 31, 2023 up to May 30, 2026 (both days inclusive), at a remuneration of ₹ 30,00,000 (Rupees Thirty Lakhs Only) per annum drawn on monthly basis and he shall not be liable to retire by rotation and the Board is authorised to fix the remuneration payable to Mr. Arijit Basu and subsequently vary at annual or periodic intervals as per the recommendations of the Nomination and Remuneration Committee, approval of the Board from time to time during his tenure and that he will be entitled to sitting fees for attending Board and Committee meetings of the Company;

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

**RESOLVED FURTHER THAT** the Board (which term shall include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/ or Officer(s) of the Company to give effect to this resolution."

**5. TO APPROVE SELLING, ASSIGNMENT, SECURITISATION OF RECEIVABLES / BOOK DEBTS OF THE COMPANY UPTO ₹ 7,500 CRORE**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any Committee constituted/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to sell / assign / securitise substantial assets including present and /or future receivables / book debts of the Company in favour of banks / financial institutions, other investing agencies, Asset Reconstruction Companies and trustees for the holders of Debentures /Bonds /Pass Through Certificates / Security Receipts 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 power 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 ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore Only);

**RESOLVED FURTHER THAT** the Board of the Company be and are hereby severally authorised to negotiate, finalise and execute with the Lender(s)/ Debenture Trustees/ Financial Institutions / Asset Reconstruction Companies 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 their powers herein conferred to any Committee and/ or Director(s) and/ or Officer(s) of the Company, to give effect to this resolution.”

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

To consider and if thought fit, to pass 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 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 (“RBI Master Directions”), the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities and Exchange Board of India’s Operational Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum of Association and the Articles of Association of the Company, any other law, rules, guidelines, regulations for the time being in force and any other circulars, notifications and/or clarifications issued by any relevant authority (including any statutory modifications or re-enactments thereof for the time being in force) and subject to such terms, conditions and modifications as may be considered necessary and proper by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee of the Board constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to offer and /or invite for issue of Non-Convertible Securities whether secured or unsecured, listed / unlisted, 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 Directions, on a private placement basis (collectively “Debentures / Instruments”), in one or more tranches /series, 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 (or any other person so authorised by the Board), based on the prevailing market condition;

**RESOLVED FURTHER THAT** the aggregate amount to be raised through the issuance of Debentures /Instruments pursuant to the authority under this Resolution aggregating up to ₹ 31,547.22 Crore (Rupees Thirty One Thousand Five Hundred Forty Seven Crore and Twenty Two Lakhs Only) under one or more shelf placement memorandums and /or in one or more letter(s) of offer as may be issued by the Company and in one or more tranches /series as the Board may decide;

**RESOLVED FURTHER THAT** the Board of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to negotiate, finalise, amend, 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 their 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 ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 14 and all other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, any other law, rules, guidelines, regulations for the time being in force and any other circulars, notifications and /or clarifications issued by any relevant authority (including any statutory modifications or re-enactments thereof for the time being in force) and subject to such terms, conditions and modifications as may be considered necessary and proper by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any

committee of the Board constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), the consent of the members be and is hereby accorded to alter the existing Articles of Association of the Company, by replacing the existing Article 184 as follows:

#### **Article 184:**

“In the event of the Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, persons, partnership firms, trust, mutual funds, alternative investment funds, any other funds, or from any other source, the lender/security trustee/debenture holder/debenture trustee concerned may, upon the occurrence of such events as provided in terms of Applicable Law or under a contract, exercise the right and power to appoint granted to it in terms of Applicable Law or under contract, from time to time, any person or persons as a Director or Directors or Nominee Directors of the Company and the Board of Directors of the Company will appoint such person or persons nominated by the lender/security trustee/debenture holder/debenture trustee within the timelines prescribed under Applicable Law, if any”;

**RESOLVED FURTHER THAT** any of the Director and / or Key Managerial Personnel of the Company be and are hereby jointly and severally authorised to do and perform all such acts, deeds, matters and things as may be required or deemed necessary or incidental thereto including signing and filing all the e-forms and other documents with the statutory authorities and to execute all such deeds, documents, agreements and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers conferred herein as they may deem fit in the best interest of the Company and its Members.”

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

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

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

Place: Mumbai  
Date: May 31, 2023

**Notes:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("Act"), as amended, read with the relevant rules made thereunder, the Secretarial Standard No. 2 ("SS-2") on General Meetings issued by the Institute of Company Secretaries of India, setting out the material facts and reasons, in respect of Item No. 4 to 7 of this Notice is annexed herewith. An Additional Information, pursuant to SS-2 issued, in respect of appointment of Director(s) at the 16<sup>th</sup> Annual General Meeting ("AGM") is also annexed herewith.
2. In accordance with the Ministry of Corporate Affairs, Government of India vide General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 ("MCA Circulars"), electronic copies of the Annual Report for Financial Year ("FY") 2022-23 and AGM Notice inter-alia indicating the process and manner of e-Voting along with instructions to attend the AGM through video-conferencing / other audio-visual means (VC/OAVM) are being sent by e-mail to those Members, trustees for the debenture-holder of any debentures issued by the Company, holders of Non-Convertible Securities and to all other persons so entitled whose e-mail IDs have been made available to the Company / Registrar and Transfer Agent ("RTA") i.e. Link Intime India Private Limited or with Depository Participants ("DP") unless the Member has specifically requested for a hard copy of the Annual Report. Members may note that the Annual Report for the FY 2022-23 and the AGM Notice will also be available on the Company's website at <https://www.hdbfs.com/investors> and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The Notice is also available on the website of the service provider engaged by the Company viz. National Securities Depository Limited ("NSDL") at <https://www.evoting.nsdl.com>.
3. 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.
4. Corporate Members are required to send a duly certified copy of their Board Resolution authorising their representatives to attend the AGM by email to [mitesh@mishra.com](mailto:mitesh@mishra.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. In case of joint holders, only such joint holder who is first in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM provided the votes are not already cast by remote e-Voting by the first holder.
6. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to submit their questions in advance from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number via email at [compliance@hdbfs.com](mailto:compliance@hdbfs.com), on or before Wednesday, June 28, 2023. The same will be replied by the Company suitably.
7. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum for the AGM under Section 103 of the Act.
8. The venue of the AGM shall be deemed to be the Corporate Office of the Company at Zenith House, Keshavrao Khadye Marg, Mahalaxmi, Mumbai 400034.
9. The Members desiring to inspect the documents referred to in this Notice and other statutory registers are requested to send an email to [dipti.khandelwal@hdbfs.com](mailto:dipti.khandelwal@hdbfs.com) with a copy marked to [compliance@hdbfs.com](mailto:compliance@hdbfs.com) mentioning their name, folio no. / client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card. An extract of such documents would be sent to the Members on their registered email address.
10. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
11. **Dividend Related Information**

The record date for determining the names of Members eligible for dividend on Equity Shares, if declared at the AGM, is **Friday, June 23, 2023**.

The final dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Tuesday, July 04, 2023 to the Members, after deduction of Tax Deduction at Source (TDS), as applicable. In respect of the shares held in dematerialised mode, the dividend will be paid on the basis of beneficial ownership details to be received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') for this purpose.

Members holding shares in dematerialised form are requested to intimate any change in their address or



bank account details (including 9 digit MICR no., 11 digit IFSC code and core banking account number) to their respective Depository Participants with whom they are maintaining demat accounts on or before June 23, 2023.

In case, the Company is unable to pay the dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/demand draft to such Member by post.

Members may note that as per the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 01, 2020, shall be taxable in the hands of the Members and the Company shall be required to deduct TDS at the prescribed rates from the dividend to be paid to Members, subject to approval of dividend by the Members in the ensuing AGM. The TDS rate would vary depending on the residential status of the Member and the documents submitted by them and accepted by the Company. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

- a. **For Resident Shareholders,** TDS is required to be deducted at the rate of 10% under Section 194 of the IT Act on the amount of dividend declared and paid by the Company in the FY 2023-24 provided valid PAN is registered by the Members. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the IT Act.

However, no tax shall be deducted on the dividend paid to resident individuals if aggregate dividend distributed or likely to be distributed during the FY 2023-24 does not exceed ₹ 5,000. Even in the cases where the members provide valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted.

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:

- i. **Insurance companies:** Declaration by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;

- ii. **Mutual Funds:** Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the IT Act along with self-attested copies of registration documents and PAN card;
  - iii. **Alternative Investment Fund (AIF) established in India:** Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the IT Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.
  - iv. **New Pension System Trust:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
  - v. **Other shareholders:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
  - vi. Shareholders who have provided a valid certificate issued u/s. 197 of the IT Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.
- b. **For Non-Resident Shareholders,** (including Foreign Portfolio Investors) Tax is required to be withheld in accordance with the provisions of Section 195 and section 196D of the IT Act at applicable rates in force. As per the relevant provisions of the IT Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:
    - a) Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;
    - b) Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
    - c) Self-declaration in Form 10F, needs to be submitted online on the income tax portal as required in terms of Notification No 03/2022. Form 10F submitted online along with the acknowledgment generated from the income tax portal shall be submitted. Forms submitted in any other format will be considered as invalid;

- d) Self-declaration by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having Permanent Establishment ("PE") in India would need to comply with provisions of section 206AB of the IT Act).
- e) In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
- f) In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.

Accordingly, in order to enable the Company to determine the appropriate TDS / withholding tax rate applicable, we request the members to provide these details and documents as mentioned above on or before June 26, 2023.

The Company shall arrange to email the soft copy of TDS certificate at the registered email ID of Members post payment of the dividend.

#### **Section 206AB of the IT Act:**

Rate of TDS @10% u/s 194 of the IT Act is subject to provisions of section 206AB of IT Act (effective from July 01, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for previous year immediately prior to the previous

year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the IT Act has expired; and

- The aggregate of TDS and TCS in his case is ₹ 50,000 or more in previous year.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

Members are requested to inform us well in advance and before cut-off date if you are covered under the definition of 'specified person' as provided in section 206AB of the IT Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

Members are requested to upload the relevant documents on the link: <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before Monday, June 26, 2023 in order to enable the Company to determine and deduct TDS at applicable rates. Failure to do so, will attract higher TDS rates as mentioned in the above paragraphs. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction received after Monday, June 26, 2023 shall be considered for payment of dividend for FY 2022-23, if approved, at the ensuing AGM.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the members, there would still be an option available with members to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and SS-2 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 from 10.00 a.m. on Tuesday, June 27, 2023 and ends at 05:00 p.m. on Thursday, June 29, 2023, after which the facility will be disabled by NSDL and remote

e-Voting shall not be allowed beyond the said date and time. During this period Members of the Company, holding shares in dematerialised form, as on the cut-off date i.e. Friday, June 23, 2023 may cast their vote electronically.

- Instructions for e-Voting are given at point no.15.
- The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, June 23, 2023.

The facility for voting, through electronic voting system shall also be made available at the AGM for Members who have not already cast their vote prior to the AGM by remote e-Voting.

- The Members, who have cast their vote prior to the AGM by remote e-Voting may also attend the AGM 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.
- Procedure for registration of email address:** The Members who have not yet registered their email

address are requested to get their email addresses registered by following the procedure given below:

- Members who have not registered their e-mail IDs, are requested to kindly register the same on the website of the Company's R&T agent at the link [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) as physical copies of AGM Notice as well as the other documents will not be sent to them in physical mode and will be sent only by e-mail, in accordance with the MCA Circulars. Post successful registration of the email, the Member 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, Member may write to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- It is clarified that for permanent registration of email address, the members are requested to register their e-mail address, by contacting Depository Participants and registering e-mail ID and mobile number in demat account, as per the process advised by the Depository Participants.

#### 15. **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: Access to NSDL e-Voting system**

**Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.**

**Details on Step 1 are mentioned below:**

#### A. **Login method for remote e-Voting and joining virtual meeting for Individual Members holding securities in demat mode.**

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL	<p><b>A. NSDL IDEAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section.</li> <li>That will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services.</li> <li>Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.</li> <li>Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>If you are not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>Select "Register Online for IDEAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Please follow steps given in points 1-5 above.</li> </ol>

Type of Members	Login Method
	<p><b>B. E-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile phone.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;">  App Store  Google Play </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for CDSL Easi / Easiest facility, can login through their existing User ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and New System Myeasi Tab and then use your existing my easi username and password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Members (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL /CDSL for e-Voting facility.</li> <li>2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</li> </ol>



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

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

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33

**B. Login method for e-Voting and joining virtual meeting for Members other than Individual Members holding securities in demat mode**

How to Log-in to NSDL e-Voting website?

- 1) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
- 2) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders / Member" section.
- 3) A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
- 4) Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
- 5) Your User ID details are given below:

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

- 6) Your password details are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email address is registered in your demat account or with the Company,

your 'initial password' is communicated to you on your email address. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned above in this notice.

- 7) If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) If you are still unable to get the password by aforesaid option, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account 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.
- 8) After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
- 9) Now, you will have to click on "Login" button.
- 10) After you click on the "Login" button, Home page of e-Voting will open.

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

**How to cast your vote electronically on NSDL e-Voting system and join Annual General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and Annual General Meeting is in active status.
2. Select the EVEN for the Company which is 124084. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Process for those Members whose email address are not registered with the depositories for procuring User ID and password and registration of email address for e-Voting for the resolutions set out in this notice:**

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [compliance@hdbfs.com](mailto:compliance@hdbfs.com). If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. Login method for e-Voting for Individual Members holding securities in demat mode.
2. Alternatively, Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and password for e-Voting by providing above mentioned documents.

**General Guidelines for shareholders**

1. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to upload their Board Resolution / Power of Attorney / Authority Letter by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab or send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to [mitesh@mjshah.com](mailto:mitesh@mjshah.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 Frequently Asked Questions ("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.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

4. In case of any grievances connected with facility for e-Voting, please contact Ms. Pallavi Mhatre, Senior Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) 022 - 4886 7000 and 022 - 2499 7000.
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](mailto:rnt.helpdesk@linkintime.co.in).
16. **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 following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** tab. You are requested to click on VC/OAVM link placed under Join Meeting tab.
  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.
  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 Members attending the meeting through VC/OAVM whereby they can pose questions concurrently, during the preceding of the meeting.
  5. Please note that Members 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. Members 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](mailto:evoting@nsdl.co.in)/ 022 - 4886 7000 and 022 - 2499 7000 or contact Mr. Amit Vishal, Assistant Vice President or Mr. Abhijeet Gunjal, Assistant Manager - NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 022 - 4886 7000 and 022 - 2499 7000.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker shareholder by sending their request from their registered email address mentioning their name, DP ID and Client ID, PAN, mobile number at [compliance@hdbfs.com](mailto:compliance@hdbfs.com) from June 21, 2023 (9:00 a.m. IST) to June 27, 2023 (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.
17. **Instruction for e-Voting during the AGM**  
The members present, 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 15 above. The e-Voting facility will be enabled during the AGM on June 30, 2023 at 12 noon till the conclusion of the AGM.
18. 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 i.e. June 23, 2023, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system. 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.
19. The Board of Directors of the Company has appointed Mr. Mitesh Shah, proprietor of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary, Mumbai, to act as the Scrutiniser to scrutinise the e-Voting process in a fair and transparent manner.
20. 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 three days from the conclusion of the AGM to the Chairman. The result of the voting will be announced within three days after the conclusion of the AGM at the Company's website at [www.hdbfs.com](http://www.hdbfs.com).

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4

Company has received declaration from Mr. Arijit Basu to the effect that he fulfills all criteria for independence under section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and in the opinion of the Board of Directors of the Company, Mr. Arijit Basu is independent of the management of the Company and fulfills the conditions specified in the Companies Act, 2013, the rules made thereunder and SEBI Listing Regulations for appointment as an Independent Director. Further the Board of Directors of the Company is of the opinion that Mr. Arijit Basu is a person of integrity and has relevant experience and expertise to be appointed as an Independent Director of the Company. Based on the skills, experience and knowledge of Mr. Arijit Basu the Board of Directors recommend appointment of Mr. Arijit Basu as the Part-Time Non-Executive Chairman and an Independent Director. Mr. Arijit Basu satisfies the fit and proper criteria as prescribed under the RBI 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.

It is proposed to appoint Mr. Arijit Basu as a Part-Time Non-Executive Chairman and Independent Director of the Company, not liable to retire by rotation, for a period of three (3) years with effect from May 31, 2023 to May 30, 2026 (both days inclusive) at a remuneration of Rs. 30,00,000 (Rupees Thirty Lakhs Only) per annum drawn on monthly basis accordingly Mr. Arijit Basu has resigned from the Board as a Chairman & Non-Executive Director on May 31, 2023.

He has been appointed as a Part-Time Non-Executive Chairman and Independent Director with effect from May 31, 2023 till the conclusion of the ensuing AGM pursuant

to the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

#### Brief profile of Mr. Arijit Basu:

Mr. Arijit Basu has over 39 years of experience in the field of banking and financial services. He started his career with State Bank of India in 1983 as a probationary officer and was the Managing Director (Whole Time Director) in the Bank at the time of his retirement in October 2020 having been appointed MD in June 2018. He has worked in diverse roles in the bank in India and overseas in Retail Banking, Corporate Banking, International Banking, HR and Business Process Reengineering in his long career. Mr. Basu was specifically in charge of commercial and corporate banking, information technology and risk management in his role as MD of the bank.

Prior to becoming MD of SBI, he was the Managing Director and Chief Executive Officer of SBI Life Insurance Company Limited from August 2014 till March 2018 and under his leadership the company listed in October 2017.

After his retirement from SBI, Mr. Basu serves on the boards of Prudential PLC and Peerless Hospitex and Hospital Research Centre, both as an Independent Director. He is a member of the Academic Council of the College of Supervisors set up by RBI and also serves as a Senior Advisor to some firms. He was a Project Management Consultant for LIC for their IPO for a year till April 2022.

Mr. Basu holds a post graduate degree in History and is an honours graduate in Economics, both from the University of Delhi. He is also a Certified Associate of the Indian Institute of Bankers (CAIIB).

Pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should ensure that the approval of the Members is obtained at the next general meeting or within a time period of three months from the date of appointment of Director, whichever is earlier.

Other details of Director as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) are given hereunder:

Name of Director	<b>Mr. Arijit Basu</b>
DIN	<b>06907779</b>
Age	<b>62 years</b>
A brief resume, Qualification(s), Experience and Nature of his expertise in specific functional areas, Recognition or awards	<b>As mentioned in explanatory statement above</b>
Terms and conditions of appointment or reappointment	<b>Part-Time Non-Executive Chairman and Independent Director, not liable to retire by rotation for a period of three (3) years with effect from May 31, 2023 to May 30, 2026 (both days inclusive)</b>
Details of remuneration sought to be paid	<b>₹ 30,00,000 (Rupees Thirty Lakhs Only) per annum drawn on monthly basis</b>
Details of the remuneration last drawn by such person (FY 2022-23)	<b>Remuneration: ₹ 30,00,000 Sitting Fees: ₹ 8,25,000</b>
Date of first appointment on the Board	<b>June 01, 2021</b>
Shareholding in the Company	<b>Nil</b>
Relationship with other Directors, Manager and other Key Managerial Personnel	<b>None</b>
The number of Meetings of the Board attended during FY 2022-23	<b>8</b>
Other Directorships (excluding HDB Financial Services Limited)	<ol style="list-style-type: none"> <li><b>Peerless Hospitex Hospital and Research Center Limited - Independent Director</b></li> <li><b>Prudential PLC – Non-Executive Director</b></li> </ol>
Membership / Chairmanship of Committees of other Board	<ol style="list-style-type: none"> <li><b>Peerless Hospitex Hospital and Research Center Limited</b> Project Finance Committee - Chairman Audit Committee - Member Risk Management Committee - Member</li> <li><b>Prudential PLC</b> Audit Committee - Member Responsibility &amp; Sustainability Working Group - Member</li> </ol>

The Nomination and Remuneration Committee of the Company has recommended the appointment of Mr. Arijit Basu and the Board has accepted the same.

Accordingly, the approval of the Members is being sought for the appointment of Mr. Arijit Basu as a Part-Time Non-Executive Chairman and Independent Director of the Company, not liable to retire by rotation for a period of three (3) years with effect from May 31, 2023 to May 30, 2026 (both days inclusive) pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and shall be paid a remuneration of ₹ 30,00,000 (Rupees Thirty Lakhs Only) per annum drawn on monthly basis.

Copy of the letter of appointment of Mr. Arijit Basu containing the terms and conditions of appointment, is available for inspection.

The Board recommends the passing of the Special Resolution as set out at Item No. 4 of this Notice for the approval of the Members.

Except Mr. Arijit Basu, being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

#### Item No. 5

The Members of the Company at the 15<sup>th</sup> Annual General Meeting held on June 23, 2022 had granted their approval by way of Special Resolution to the Board of Directors of the Company to sell /assign /securitise substantial assets including present and /or future receivables /book debts of the Company to the holders of Debentures/Bonds/Pass Through Certificates and other instruments for an aggregate amount not exceeding ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore Only).

Members of the Company are requested to note that Company may raise funds by way of sell/ direct assignment/ securitisation of the present and /or future receivables/ book



debts of the Company to any Bank or Financial Institution or Asset Reconstruction Companies as per the terms approved by the Board of Directors.

The sell/ assignment/ securitisation of the present and /or future receivables /book debts of the Company 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 the Company shall not sell, assign or securitise the receivables/ book debts of the Company 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 May 31, 2023, has subject to the approval of the Members, approved to sell /assign /securitise present and / or future receivables/ book debts of the Company as approved by the Members of the Company pursuant to Section 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 sell /assign /securitise substantial assets including present and /or future receivables /book debts of the Company, to the holders of Debentures /Bonds /Pass Through Certificates / Security Receipts and other instruments for an aggregate amount not exceeding ₹ 7,500 Crore (Rupees Seven Thousand Five Hundred Crore Only).

The Board recommends the resolution as set out at Item No. 5 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. 6**

The Company has been raising funds by offer and/or invite for issuing non-convertible debentures, secured or unsecured, listed/unlisted, 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 Members 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 Members at the 15<sup>th</sup> Annual General Meeting held on June 23, 2022 and vide postal ballot dated March 26, 2023 had accorded their approval to the Company for issuance of Debt Securities as mentioned below:

- A. Non-Convertible Debentures (NCDs) up to a limit of ₹ 20,328.90 Crore which included existing limit of ₹ 10,328.90 Crore and new limit of ₹ 10,000 Crore (₹ 5,000 Crore was approved vide postal ballot on March 26, 2023). As on March 31, 2023 the Company had raised NCDs of ₹ 9,599.18 Crore and the charge has been released for Debenture Trust Deed of ₹ 7,500 Crore of which unissued amount is ₹ 32.50 Crore. The unutilised limit of ₹ 10,697.22 Crore is available for issuance of NCDs.
- B. Subordinated Bonds (Sub Debts) up to a limit of ₹ 500 Crore. No issue of Sub Debts was done during the FY 2022-23, hence the unutilised limit of ₹ 500 Crore continues to subsist for issuance of Sub Debts.
- C. Perpetual Debt Instruments (PDIs) up to a limit of ₹ 500 Crore. As on March 31, 2023 the Company had raised PDIs of up to ₹ 150 Crore. The unutilised limit of ₹ 350 Crore is available for issuance of PDIs.

Further, the Board, at its meeting held on May 31, 2023, has approved issuance of NCDs, Sub Debts and PDIs from the above unutilised limit of Debt Securities and in addition to the above limit has also approved new limit for issuance of NCDs of ₹ 20,000 Crore, subject to the approval of the Members. Thus, the approved limit of NCDs, Sub Debts and PDIs for Issuance is ₹ 30,697.22 Crore, ₹ 500 Crore and ₹ 350 Crore respectively.

In terms of the requirements of Resource Planning Policy of the Company and Business planning for the FY 2023-24, it is expected that the Company will issue Debt Securities which shall not exceed the aforesaid limit. The Debt Securities 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 Members 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;
- 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 ₹ 31,547.22 Crore (Rupees Thirty One Thousand Five Hundred Forty Seven Crore and Twenty Two Lakhs 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 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.

In view of the aforesaid, the Board of Directors at its meeting held on May 31, 2023, 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).

Accordingly, the approval of the Members is being sought by way of Special Resolution as set out at Item No. 6 of this Notice authorising the Board to issue Debt Securities and /or any other hybrid instruments (not in the nature of Equity Shares) which may or may not be classified as being Tier I or Tier II capital under the provisions of the RBI Master Directions, for an aggregate amount not exceeding ₹ 31,547.22 Crore (Rupees Thirty One Thousand Five Hundred Forty Seven Crore and Twenty Two Lakhs 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. 6 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 Debt Securities that may be subscribed by companies/firms in which they are interested.

#### **Item No. 7**

The existing Articles of Association ("AOA") of the Company were framed in terms of the provisions of the Companies Act, 2013. The Securities and Exchange Board of India vide notification dated February 02, 2023 had notified the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 ("Amendment Regulation"). Pursuant to the Amendment Regulation the Company was required to amend its Articles of Association to ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a Director on its Board of Directors, on or before September 30, 2023.

Thus, in order to comply with the above mentioned requirements, it is proposed to alter the Article No. 184 of the Articles of Association of the Company w.r.t. the appointment of Nominee Director. The consent of the Members of the Company by way of a Special Resolution is required for alteration of Articles of Association of the Company. Accordingly, this matter has been placed before the Members for their approval.

In this regard, it is proposed to alter existing Article 184 of AOA by replacing with the below:

**Article 184:**

"In the event of the Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, persons, partnership firms, trust, mutual funds, alternative investment funds, any other funds, or from any other source, the lender/security trustee/debenture holder/debenture trustee concerned may, upon the occurrence of such events as provided in terms of Applicable Law or under a contract, exercise the right and power to appoint granted to it in terms of Applicable Law or under contract, from time to time, any person or persons as a Director or Directors or Nominee Directors of the Company and the Board of Directors of the Company will appoint such person or persons nominated by the lender/security trustee/

debenture holder/debenture trustee within the timelines prescribed under Applicable Law, if any."

Accordingly, the approval of the Members is being sought by way of Special Resolution as set out at Item No. 7 of this Notice to alter the existing AOA of the Company, by replacing, existing Article 184. A copy of the altered AOA is available for inspection.

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.

**Registered Office:**

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

Place: Mumbai

Date: May 31, 2023

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

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