

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 14th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth Annual General Meeting of HDB Financial Services Limited will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) on Friday, June 25, 2021 at 12 noon IST 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, 2021, including the Audited Balance Sheet as at March 31, 2021, 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, 2021, including the Audited Balance Sheet as at March 31, 2021, 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.

SPECIAL BUSINESS:

2. TO APPROVE APPOINTMENT OF MR. ARIJIT BASU AS CHAIRMAN AND NON-EXECUTIVE DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to Sections 149, 152, 161, 197 read with Schedule V 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 of the Companies Act, 2013 (“Act”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Article of Association of the Company and subject to such other approvals, as may be required from regulatory authorities from time to time and approval and recommendation of the Nomination & Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Arijit Basu (DIN: 06907779) who was appointed as Chairman and Non-Executive (Additional) 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 Chairman and a Non-Executive Director of the Company for a period of 3 years with effect from June 1, 2021, at a remuneration of Rs. 30,00,000/- (Rupees Thirty Lakhs Only) per annum drawn on monthly basis and he shall be liable to retire by rotation;

RESOLVED FURTHER THAT in terms of the applicable provisions and schedule V of Companies Act, 2013, in case of absence or inadequacy of profit in any financial year the aforesaid remuneration shall be paid to Mr. Arijit Basu as minimum remuneration;

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 resolution.”

3. TO APPROVE SELLING, ASSIGNMENT OF ITS RECEIVABLES/BOOK DEBTS UPTO ₹ 7,500 CRORE

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

“RESOLVED THAT the consent of the Members of the Company be and is hereby accorded, pursuant to the provisions of section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any amendment, modification, variation or re-enactment thereof), to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to sell/assign substantial assets including receivables/book debt of the Company in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/Pass Through Certificates/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 Rs. 7,500 crore (Rupees Seven Thousand Five Hundred crore Only);

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

4. 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 re-enactment 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 ₹ 11,654.90 crore (Rupees Eleven Thousand Six Hundred Fifty Four Crore and Ninety 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.”

5. 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 re-enactment thereof) and subject to such other rules, regulations and guidelines as may be applicable from time to time the consent of the Members be and is hereby accorded to 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 ₹ 7,500 crore (Rupees Seven 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 25, 2021

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, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (the “MCA Circulars”) in view of the

current extraordinary circumstances due to COVID-19 pandemic requiring social distancing and the continuing restriction on movement of persons at several places in the country, has allowed 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.

2. In terms of the MCA circulars, the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), shall 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 2020-21 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 2020-21 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 2020-21 and AGM notice by post to the shareholders whose email address is not registered with the Company or depository participants/depository.
5. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with and there is no provision for appointment of proxy. Accordingly, the facility for appointment of proxies by the Members under section 105 of the Companies Act, 2013 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 mitesh@mjshah.com and compliance@hdbfs.com with a copy marked to evoting@nsdl.co.in
7. 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.
8. 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 21, 2021 through the Company's email address i.e. compliance@hdbfs.com. The same will be replied by the Company at the AGM.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business under Item no 2 to 5 to be transacted at the meeting, is annexed hereto and forms part of the Notice.
10. In respect of the Special Business at Item No. 2 a statement giving additional information on the Director seeking appointment, is forming part of Explanatory Statement to Notice.
11. The institutional investors are requested to attend the meeting and cast their vote through remote e-voting / e-voting.
12. 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.
13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

14. 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.
15. 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 electronic 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 am on Monday, June 21, 2021 and ends at 05:00 p.m. on Thursday, June 24, 2021, 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 Friday, June 18, 2021 may cast their vote electronically.
 - Instructions for e-voting are given in point no.20
 - The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, June 18, 2021.
16. 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.
17. 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.
18. 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.
19. **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 MCA Circulars, 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, the 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.
20. **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.

Notice

Details on Step 1 are mentioned below:

A. Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDEAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDEAS” section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on “Access to e-voting” appearing on the left hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select “Register Online for IDEAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. <p>B. e-voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. 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 e-voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, can login through their User ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the e-voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.

Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-voting facility. 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. 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 e-voting during the meeting
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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 Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login method for remote e-voting and joining virtual meeting for shareholders other than Individual shareholders 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. 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.
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.
 - b) If you are still unable to get the password by aforesaid option, you can send a request at 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?

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 General Meeting is in active status.
2. Select "EVEN 116074" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General 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 and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders 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. If you are an Individual shareholders 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 and joining virtual meeting for Individual shareholders holding securities in demat mode.

2. Alternatively shareholder/members may send a request to 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 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 mitesh@mishra.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 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in
4. 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

21. 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 the 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 placed under Join General meeting menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu.
2. 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.
3. Facility of joining the AGM through VC / OAVM shall open 30 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 proceedings of the meeting.
4. 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 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.
5. Members who need assistance before or during the AGM, can contact NSDL at Mr. Amit Vishal, Senior Manager - NSDL or Mr. Sagar Ghosalkar, Assistant Manager - NSDL at evoting@nsdl.co.in or call on toll free no: 1800 1020 990 and 1800 22 44 30.
6. 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 15, 2021 (9:00 a.m. IST) to June 21, 2021 (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.

22. 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 20 above. The e-voting facility will be enabled during the AGM on June 25, 2021 at 12 noon till the conclusion of the AGM.

Notice



23. 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.
24. Mr. Mitesh Shah (FCS No.: 10070) of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
25. The Scrutiniser shall submit a consolidated report of the total votes cast in favour or against, if any, on each of the resolutions set out in this Notice, not later than 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. 2

On the recommendation of Nomination & Remuneration Committee (NRC), Board of Directors of the Company at its meeting held on May 25, 2021 has appointed Mr. Arijit Basu as Non-Executive (Additional) Director of the Company with effect from June 1, 2021 till the conclusion of the ensuing Annual General Meeting in terms of provisions of the Companies Act, 2013, liable to retire by rotation. Furthermore, the Board of Directors, at the same meeting held on May 25, 2021, has also approved the appointment of Mr. Arijit Basu as the Non-Executive (Non-Independent) Chairman of the Company effective June 1, 2021. The appointment of Mr. Arijit Basu shall be for a period of 3 years effective from June 1, 2021. NRC confirms that Mr. Arijit Basu 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. Arijit Basu:

Mr. Arijit Basu holds post graduate degree in arts from the University of Delhi and is a certified associate of the Indian Institute of Bankers. He has over 37 years of experience in the field of banking and financial services. He started his career with State Bank in 1983 as a probationary officer. He has also served as a Director in State Bank of India and was in charge of commercial and corporate banking, information technology and risk management.

Mr. Arijit Basu was Managing Director and Chief Executive Officer of SBI Life Insurance Company Limited from August 2014 till March 2018. He returned to SBI in April 2018 and was elevated as Managing Director of the Bank in June 2018 responsible for Commercial and Corporate Banking, IT and Risk Management. After his retirement from SBI in October 2020, he is a Senior Consultant at AZB Partners, Senior Advisor at Deloitte and Project Management Consultant for LIC.

He has been awarded the title 'India's Most Trusted CEO' by WCRC Leaders Asia in 2017. Additionally, he has been awarded the Skoch award for 'CEO of the Year Life Insurance' by the Skoch Group in 2017.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Arijit Basu as a Non-Executive Director of the Company.

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

The Board considers that his association with the Company would be of immense benefit to Company and it is desirable to avail services of Mr. Arijit Basu as Chairman and Non- Executive Director. The Company has also approved a remuneration of ₹ 30,00,000/- (Rupees Thirty Lakhs Only) per annum drawn on monthly basis in lieu of rendering services to the Company in areas including internal audit, regulatory compliance, policies and business strategy as a Chairman and Director of the Company. In case of absence or inadequacy of profit in any financial year the aforesaid remuneration shall be paid to Mr. Arijit Basu as minimum remuneration.

Pursuant to the provisions of Section 197 of the Companies Act, 2013, a director or manager may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other.

Notice

Other details of Director seeking appointment at the forthcoming Annual General Meeting Information as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is given hereunder:

Name of Director	Mr. Arijit Basu
DIN	06907779
Age	60 years
A brief resume, Qualification(s), Experience and Nature of his expertise in specific functional areas, Recognition or awards	As mentioned in explanatory statement above
Terms and conditions of appointment or reappointment	Chairman and Non-Executive Director (Non- Independent), liable to retire by rotation.
Details of remuneration sought to be paid	₹ 30,00,000/- (Rupees Thirty Lakhs Only) per annum drawn on monthly basis
Details of the remuneration last drawn by such person (FY 2020-21)	Nil
Date of first appointment on the Board	June 01, 2021
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	None
The number of Meetings of the Board attended during FY 2020-21	Nil
Other Directorships (excluding HDB Financial Services Limited)	Nil
Membership / Chairmanship of Committees of other Board	Nil

Accordingly, the approval of the Members is being sought for the appointment of Mr. Arijit Basu as a Chairman and Non-Executive Director of the Company, liable to retire by rotation with effect from June 1, 2021 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.

The Board recommends the passing of the ordinary resolution as set out at Item No. 2 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 is concerned or interested, financially or otherwise, in the said resolution.

Item No. 3

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 sell/assign substantial assets including receivables/book debt of the Company to the holders of debentures/bonds/Pass Through Certificates and other instruments for an aggregate amount not exceed ₹ 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 sale/direct assignment/securitisation of its receivables to any Bank or Financial Institution as per the terms approved by the Board of Directors.

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

In view of the aforesaid, the Board of Directors at its meeting held on April 17, 2021, has subject to the approval of Members, approved to sell, assign/securitize receivables as approved by the Members pursuant to Section 180(1)(a) of the Act.

In this regard, the approval of the Members is sought for sale/assignment/securitisation of its receivables/book debt up to ₹ 7,500 crore on such terms and conditions as may be determined by the Board of Directors (or any other person authorised by the Board of Directors), depending on the prevailing market conditions.

Accordingly, the approval of the Members is being sought by way of special resolution authorising the Board of Directors to sell/assign substantial assets including receivables/book debt of the Company for 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. 3 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. 4

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 13th Annual General Meeting held on June 30, 2020 had accorded their approval to the Company for issuance of Non-Convertible Debentures as mentioned below:

- A. Non-Convertible Debentures (NCDs) up to a limit of ₹18,109.90 crore which included existing limit of ₹ 10,609.90 crore and new limit of ₹ 7,500.00 crore for NCDs. As on March 31, 2021 the Company had raised NCDs of ₹ 9,455.00 crore. The limit of ₹ 8,654.90 crore is available for further issuance of NCDs.
- B. Market Linked Debentures (MLDs) up to a limit of ₹ 2,236.10 crore. As on March 31, 2021 the Company had raised MLDs of ₹ 236.10 crore. The limit of ₹ 2,000.00 crore is available for further issuance of MLDs.
- C. Subordinated Bonds (Sub Debts) up to a limit of ₹ 356.50 crore. Out of the said limit, the Company had raised ₹ 356.50 crore as on March 31, 2021.
- D. Perpetual Debt Instruments (PDIs) up to a limit of ₹ 500 crore. No issue of PDIs were done during the FY 2020-21 hence, the limit of Rs. 500 crore continues to exist for issuance of PDIs.

In terms of the requirements of Resource Planning Policy of the Company and Business planning for the FY 2021- 22, 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.

Further the Board, at its meeting held on April 17, 2021, had approved above outstanding limit of Debt Securities and fresh issue of Sub Debts of ₹ 500 crore, subject to the approval of shareholders. Hence, shareholders are requested to approve limit of NCDs, MLDs, Sub Debts and PDIs for issuance of ₹ 8,654.90 crore, ₹ 2,000 crore, ₹ 500 crore and ₹ 500 crore respectively.

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;
- 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 ₹ 11,654.90 crore (Rupees Eleven Thousand Six Hundred Fifty Four Crore and Ninety 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 April 17, 2021, 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. 4 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 ₹ 11,654.90 crore (Rupees Eleven Thousand Six Hundred Fifty Four Crore and Ninety 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. 4 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. 5

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 95.11% of the paid up equity share capital of the Company.

The shareholders at the 13th Annual General Meeting held on June 30, 2020 had accorded their approval to the Company for entering into securitisation transaction with the Bank within overall securitisation limit of ₹ 6,500 crore.

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 the Bank, as

per the regulatory framework laid down by Reserve Bank of India. To ensure compliance, it is proposed 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.

The Board of Directors, at its meeting held on April 17, 2021, 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 - NA
- 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 ₹ 7,500 crore (Rupees Seven 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 2021-2022.

Accordingly, the Board recommends the resolution as set out at Item No. 5 of the accompanying Notice for the approval of the Members.

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 25, 2021

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

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