



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

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to and in compliance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the “Rules”), read with the General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and other applicable laws and regulations, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force, to the members of HDB Financial Services Limited (“the Company”) that it is proposed to transact the following business by the members of the Company through Postal Ballot by remote e-voting process only (‘remote e-voting’).

Resolutions:

1. APPOINTMENT OF M/s. KHIMJI KUNVERJI & CO. LLP AND M/s. B. K. KHARE & CO. AS JOINT STATUTORY AUDITORS OF THE COMPANY TO FILL THE CASUAL VACANCY CAUSED DUE TO INELIGIBILITY OF M/s. B S R & CO. LLP TO CONTINUE AS THE STATUTORY AUDITORS OF THE COMPANY IN TERMS OF RBI GUIDELINES

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 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Circular issued by Reserve Bank of India vide no. RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 (‘RBI Guidelines’), and any other applicable laws (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, consent of Members of the Company be and is hereby accorded to appoint M/s. Khimji Kunverji & Co. LLP (ICAI Firm Registration No. 105146W/W100621) and M/s. B. K. Khare & Co. (ICAI Firm Registration No. 105102W) as Joint Statutory Auditors of the Company, to fill the casual vacancy caused due to ineligibility of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) to continue as the statutory auditors of the Company in terms of the RBI guidelines, to hold office for a continuous period of three years until the conclusion of 17th Annual General Meeting of the Company to be held in year 2024 at a remuneration to be determined by the Board of Directors or Audit Committee of the Board of the Company or the any other person(s) authorised by the Board or the Audit Committee and additionally out of pocket expenses, outlays and taxes as applicable;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board (including the any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of roles and responsibilities/ scope of work of the respective joint

Statutory Auditor(s), negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Company.”

2. AUTHORITY TO ISSUE REDEEMABLE NON-CONVERTIBLE DEBENTURES 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 in furtherance to the resolution passed by the members of the Company at its Annual General meeting held on June 25, 2021 and 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), 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 additional amount to be raised through the issuance of NCDs pursuant to the authority under this Resolution shall be up to Rs. 10,000 crore (Rupees Ten Thousand Crore 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.”

**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**

**Mumbai
July 16, 2021**

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts and reasons in respect of the special business under the Resolution as set out above, are annexed hereto and forms part of this Notice.
2. The Board of Directors of the Company has appointed Mr. Mitesh Shah of M/s. Mitesh J. Shah & Associates, Practicing Company Secretary, Mumbai, to act as the Scrutinizer for the Postal Ballot to be conducted through e-voting in a fair and transparent manner.
3. In compliance with the MCA Circulars, the Notice of the Postal Ballot is being sent by electronic mode only to those members whose names appears in the Register of Members / List of Beneficial Owners maintained by the Company/ Depositories respectively as at close of business hours on Friday, August 13, 2021, (the 'Cut-off date') and whose e-mail addresses are registered with the Company / Depositories.

For members who have not registered their e-mail addresses, please follow the instructions given under Note nos. 10.

Members whose names appears in the Register of Members/ List of Beneficial Owners as on the Cut-off date are entitled to vote on the Resolution set forth in this Notice. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

Members may please note that the Postal Ballot Notice will also be available on the Company's website at www.hdbfs.com and on the website of NSDL <https://www.evoting.nsdl.com>

4. As per the MCA Circulars on account of the COVID-19 pandemic, physical copies of the Notice, are not being sent to members for this Postal Ballot. Members are requested to provide their assent or dissent through remote e-voting only.
5. In compliance with the MCA Circulars, Sections 108 and 110 of the Act and the Rules made thereunder, the Company is offering remote e-voting facility to seek the approval of members of the Company for the resolution contained in this Notice. For this purpose, the Company has entered into an agreement with NSDL for facilitating remote e-voting to enable the members to cast their votes electronically.
6. The voting period begins from 10:00 a.m. on Friday, August 20, 2021 and ends at 05:00 p.m. on Saturday, September 18, 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, August 13, 2021 may cast their vote electronically. Please note that once the vote on a resolution has been cast, members cannot change it subsequently. The e-voting module shall be disabled by NSDL for voting thereafter.
7. Voting rights of the members shall be reckoned in proportion to the paid-up equity shares registered in the name of the member / beneficial owner as on the Cut-off date.
8. Voting rights in the Postal Ballot Form cannot be exercised by a proxy.
9. All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts and other statutory registers are open for inspection by the members at the registered office of the Company between 10.00 a.m. to 5.00 pm on all working days except Saturdays, Sundays and national holidays, from the date hereof up to Saturday, September 18, 2021.

10. 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 Postal Ballot 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 Postal Ballot Notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this Postal Ballot. 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.

11. 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 on NSDL e-voting system.

Details on Step 1 are mentioned below:

A. Login method for remote e-voting 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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL (continued)	<p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> Option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Please follow steps given in points 1-5. <p>B. E-voting website of NSDL</p> <ol style="list-style-type: none"> Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. 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 <p>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 Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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. 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. 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.

Type of shareholders	Login Method
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.

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 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/](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 is in active status.
2. Select “EVEN 116954” of company for which you wish to cast your vote during the remote e-voting period.
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 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@mishah.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
12. 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. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode 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. Friday, August 13, 2021 may follow steps mentioned in the Notice under “Access to NSDL e-Voting system”.
13. 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 Postal Ballot to the Chairman. The result of the voting will be announced within 48 (Forty Eight) hours after the conclusion of the Postal Ballot at the Company’s website at www.hdbfs.com. The resolutions, if assented by the requisite majority, shall be deemed to be passed on the last date specified for e-voting, in terms of the Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 1

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) are Statutory Auditors of the Company since 2013. The members of the Company at the 11th Annual General Meeting held on June 22, 2018, had approved reappointment of M/s B S R & Co. LLP Chartered Accountants as Statutory Auditors of the Company for a further period of 5 years until the conclusion of the 16th Annual General Meeting of the Company to be held in year 2023.

Subsequently, RBI vide its notification no. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22, has issued guidelines on April 27, 2021 on appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) ("RBI Guidelines"). RBI Guidelines stipulates that the Company shall appoint Statutory Auditor for a continuous period of three years, subject to the Statutory Auditor satisfying the eligibility norms as stipulated therein, each year. The RBI Guidelines are applicable from the FY 2021-22.

Therefore, the existing Auditor M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) shall be ineligible to continue as Statutory Auditors of the Company.

Further as per the RBI Guidelines, given that the Company's asset size is more than the stipulated threshold in this regard, the Company will need to appoint a minimum of two joint Statutory Auditors.

In view of the aforesaid and pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules thereunder and guidelines issued by the RBI including any amendments, modifications, variations or re-enactments thereof, the Board of Directors of the Company, on the recommendation of the Audit Committee, at their meeting held on July 16, 2021 approved the appointment of M/s. Khimji Kunverji & Co. LLP (ICAI Firm Registration No.105146W/ W100621) and M/s. B. K. Khare & Co. (ICAI Firm Registration No. 105102W) as Joint Statutory Auditors of the Company, to fill the causal vacancy caused due to ineligibility of M/s. B S R & Co. LLP, Chartered Accountants to continue as the statutory auditors of the Company in terms of RBI Guidelines, to hold office for a continuous period of three years until the conclusion of 17th Annual General Meeting of the Company to be held in year 2024 at a remuneration to be determined by the Board of Directors of the Company and reimbursement of out of pocket expenses as may be incurred by them during the course of the Audit.

M/s. Khimji Kunverji and Co. LLP is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with Firm Registration No.105146W/ W100621. The firm was established in 1936 and is led by ten partners. The firm provides a range of services which include audit & assurance, taxation, advisory & accounting & outsourcing. The firm has significant experience in providing auditing, taxation and advisory services to banks and other financial services clients.

M/s. B. K. Khare & Co. is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with Firm Registration No.105102W. The firm was established in 1955 and is led by twenty partners. The firm provides a range of services which include audit & assurance, taxation, regulatory, transaction advisory, risk advisory – governance, risk & compliance. The firm has significant experience in providing auditing, taxation and advisory services to banks and other financial services clients.

M/s. Khimji Kunverji & Co LLP and M/s. B. K. Khare & Co. have confirmed their eligibility for being appointed as the Joint Statutory Auditors of the Company as laid under the applicable provisions of Section 141 of the Companies Act, 2013 read with the relevant rules made thereunder and the RBI Guidelines.

The Board of Directors recommends the appointment of the M/s. Khimji Kunverji & Co LLP and M/s. B. K. Khare & Co. as the Company's joint Statutory Auditors based on a review of their profile, experience and specialization in audit of financial service sector.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are in any way financially or otherwise concerned or interested in passing of the Ordinary Resolution as set out in Item No. 1 of this Notice.

The Board recommends passing of the Ordinary Resolution, as set out in Item No. 1 of this Notice, for the approval of the Members.

Item No. 2

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. Accordingly, the shareholders at the 14th Annual General Meeting held on June 25, 2021 had accorded their approval to the Company for issuance of Non-Convertible Debentures (NCDs) up to a limit of Rs. 8,654.90 crore. It may be noted that out of the said limit of Rs. 8,654.90 crore, the Company has already raised NCDs of Rs. 2,318 crore during quarter ended June 30, 2021 and the limit of Rs. 6,336.90 crore is available for further issuance of NCDs as on June 30, 2021.

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 NCDs 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 July 16, 2021, subject to the approval of members, has approved additional limit of Rs. 10,000 crore (Rupees Ten Thousand Crore Only) for issuance of NCDs in one or more tranches, on private placement basis and within the overall borrowing limit of Rs. 80,000 crore (Rupees Eighty Thousand Crore Only) as approved by the Members of the Company at the 13th Annual General Meeting held on June 30, 2020. The said limit of Rs. 10,000 crore shall be in addition to the existing outstanding limit of Rs. 6,336.90 crore for issuance of NCDs.

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 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 Authorised Signatory authorised by the Board or 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 NCDs, with the terms of each issuance being determined by the Board (including any Authorised Signatory authorised by the Board or 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 Authorised Signatory authorised by the Board or 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 Authorised Signatory authorised by the Board or 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 additional limit of Rs. 10,000 crore (Rupees Ten Thousand Crore 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 a 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.

Accordingly, the approval of the Members is being sought by way of special resolution as set out at Item No. 2 of this Notice authorising the Board to issue NCDs, for an additional amount of Rs. 10,000 crore (Rupees Ten Thousand Crore Only) on a private placement basis during a period of one year from the date of passing the Resolution.

The Board, accordingly, recommends the passing of the special resolution as set out at Item No. 2 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.

**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**

Mumbai

July 16, 2021