

TRANSCRIPT OF THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF HDFC CREDILA FINANCIAL SERVICES LIMITED HELD ON TUESDAY, JUNE 06, 2023 AT 4:00 P.M. THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) DEEMED TO BE HELD AT THE REGISTERED OFFICE OF THE COMPANY.

Present

Mr. V. Srinivasa Rangan	Chairman
Mr. Arunabh Bhattacharya	Representative of Housing Development Finance Corporation Limited, Member
Mr. Ajay Agarwal	Member
Mr. Dipta Bhanu Gupta	Member
Mr. Suresh Menon	Member
Mr. Conrad D’Souza	Member
Mr. Sudhir Kumar Jha	Member
Mr. Biswamohan Mahapatra	Independent Director, Chairman of the Audit Committee & Nomination and Remuneration Committee
Mr. Rajesh Gupta	Independent Director, Chairman of Stakeholder Relationship Committee
Ms. Madhumita Ganguli	Non-Executive Director
Mr. Arijit Sanyal	Managing Director & CEO
Mr. Manjeet Bijlani	Chief Financial Officer
Ms. Vinita Nair	M/s. Vinod Kothari & Company, Secretarial Auditors
Mr. Vipul Choksi	M/s. Shah Gupta & Company Chartered Accountants, Statutory Auditor
Mr. Mr. Rahul Joglekar	M/s Gokhale & Sathe, Chartered Accountants
Ms. Akanksha Kandoi	Company Secretary

Mr. V. Srinivasa Rangan, Chairman:

“I welcome all the shareholders to the 18th Annual General Meeting of HDFC Credila Financial Services Limited.

Five Members present in person would form quorum for the meeting.

It is 4:00 p.m. now. As the quorum is present, I now call the meeting to order.

HDFC CREDILA FINANCIAL SERVICES LIMITED

(Formerly known as HDFC Credila Financial Services Private Limited)

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 **Regd. Office:** B-301, Citi Point, Andheri-Kurla Road, Next To Kohinoor Continental, Andheri (East), Mumbai 400 059, India



Tel: +91-22-28266636



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We also have Mr. Biswamohan Mahapatra, Independent Director, who is the Chairman of the Audit Committee and NRC, Mr. Rajesh Gupta, Independent Director, who is the Chairman of the Stakeholders Relationship Committee, Ms. Madhumita Ganguli, Non-Executive Director and Mr. Arijit Sanyal, MD & CEO of the Company.

Mr. Manjeet Bijlani, CFO, Ms. Akanksha Kandoi, Company Secretary, Mr. Vipul Choksey, Representative of the Statutory Auditors of the Company, Ms. Vinita Nair, partner, Vinod Kothari & Co., Representative of the Secretarial Auditors and Mr. Rahul Joglekar of M/s Gokhale & Sathe, Chartered Accountants, have also joined this meeting through video conference from their respective locations.

In compliance with the requirement of obtaining consent from at least 95% of the members to hold the meeting at shorter notice, the Company has sought and obtained consent from all the members.

I thank all the members for attending this meeting at shorter notice.

We are holding the Annual General Meeting through video conferencing. This is in compliance with the General Circular no. 20 /2020 dated 5th May, 2020 and General Circular No. 10/2022 dated 28th December 2022 issued by the Ministry of Corporate Affairs.

The Company has received one Board Resolution from HDFC Ltd. appointing an authorized representative under section 113 of the Companies Act, 2013 in respect of 147,799,719 equity shares out of total 147,799,725 equity shares of the Company representing almost 100% paid up equity capital.

Since there is no physical attendance of the members at a common venue, the requirement of appointing proxies is not applicable. The registers required under the Companies Act 2013 are open for inspection online i.e. Register of Directors & Key Managerial Personnel (KMP) And Their Shareholding and Registers of Contracts & Arrangements in Which Directors Are Interested.

Members can cast their vote by way of show of hands.

The Notice of the 18th Annual General Meeting and the Explanatory Statement along with the copies of Audited Financial Statements for the year ended 31st March, 2023, together with the Directors' and Auditors' Reports were sent to the Members, Statutory and Secretarial Auditors and all the Directors of the Company through e-mail dated June 03, 2023.

Since the notice is already circulated to all members, I take the notice convening the meeting as read.

The Audited Financial Statements of your company for the year ended March 31, 2023 along with the Directors' Report, have already been circulated to you. With your permission, we may take them as read. The Audited Financial Statements are available for inspection by any member.

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The Statutory Auditors report and the Secretarial Audit report for the Financial Year 2022-23 do not contain any qualification, reservation, adverse remark or comments.

May I request the Members to permit taking the Statutory Auditors report and the Secretarial Audit report as read.

Thank you.

Review of Operations

During the financial year ended on March 31, 2023, the Company earned a profit before tax of Rs. 370.21 crore as compared to the profit before tax of Rs. 277.53 crore in the previous year. The Company's loan book and total income have both experienced significant growth in this financial year. The Company has continued to maintain its portfolio quality even while achieving robust growth. There was no change in the nature of business of the Company, nor was there any material change or commitment that would affect its financial position during the year

Capital Adequacy Ratio (CAR)

As at March 31, 2023, the CAR stood at 20.42%, of which Tier I capital was 14.60% and Tier II capital was 5.82%. As per regulatory norms, the minimum requirement for the CAR and Tier I capital as at March 31, 2023 is 15% and 10% respectively.

Regulatory Update

The total assets of the Company as on March 31, 2023 stood at Rs.16,446 Crores. In accordance with the Guidelines for Appointment of Statutory Auditors dated April 27, 2021 issued by the Reserve Bank of India, the Company needs to appoint Joint Statutory Auditors of the Company for a period of 3 (three) consecutive years.

Business Update

FY23 has been an exceptional year for the Company. The Company's logins (1,03,435 files), sanctions (52,288 files) and disbursements (Rs. 7,992 crore), grew by 64%, 79% and 85% respectively over the previous financial year. The Y-o-Y disbursement growth observed is also very encouraging, with USA, Canada, UK, India and some other countries having shown a growth of 101%, 36%, 141%, 63% and 78% respectively.

The notable growth in all our key business parameters validates the Company's belief that education spending is inelastic and the demand for overseas education is robust, contributing to the sector's growth story.

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CSR

This year, the Company's CSR efforts have focused on empowering adolescent girls through health, education, career guidance sessions, and personality awareness programmes, rescuing street children and assisting them in breaking the cycle of poverty, providing quality and accessible healthcare, and developing hygienic Water, Sanitation and Hygiene (WASH) facilities in government schools. These activities have benefited nearly 3000 people, which is testament to the Company's commitment to creating a long-lasting impact. The Company has spent Rs. 4.40 crores towards CSR in the financial year 2022-23.

Scheme of Amalgamation

In response to our application to RBI on May 20, 2022, seeking RBI's approval for the proposed takeover or acquisition of control of the Company and change in shareholding resulting in acquisition/transfer of shareholding of more than 26% of paid-up equity capital of the Company pursuant to the scheme of amalgamation, RBI gave the consent on June 29, 2022 to the Company valid for six months only. The Company sought an extension of the validity of the said approval on December 12, 2022. On January 23, 2023, RBI granted an approval for another six months valid till June 29, 2023.

On May 27, 2023, the Company has sought further extension of 2 months from RBI for extension of the validity of approval. The approval from RBI is awaited."

Mr. V. Srinivasa Rangan : "I now move the Resolutions for voting by the members."

A. ORDINARY BUSINESS:**"ITEM NO. 1**

To receive, consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.

"I now move the resolution in respect of Item No. 1 of the Notice."

"I request any one of the Members to propose the resolution."

Mr. Dipta Bhanu Gupta: "I propose"

Mr. V. Srinivasa Rangan: "I request any one of the Members to second the resolution."

Mr. Suresh Menon: "I second"

Mr. V. Srinivasa Rangan: "If there are any queries with respect to financials, we shall be happy to answer them. Are there any queries.?"

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Mr. Ajay Agarwal: “Chairman Sir, though I have no query on the financial result, I have a query about impact of the forbearance granted by RBI with regard to transfer of shares of the Company from HDFC Limited to HDFC Bank Limited (HDFC Bank) pursuant to the amalgamation of the two entities. I also seek clarity on HDFC Ltd’s plan to sell its stake in the Company.”

Mr. V. Srinivasa Rangan: “RBI vide its forbearance letter had directed HDFC Bank Limited, subsequent to amalgamation, to reduce its shareholding in the Company to 10% within 2 years provided that the Company does not onboard new customers. He further mentioned that HDFC Bank has requested RBI to allow the Company to function/ operate its business as usual both pre and post the effective date of the said amalgamation, with the condition that the shareholding of HDFC Limited/ HDFC Bank be reduced to 10% within 2 years from the effective date. Response from RBI on this request is awaited.

HDFC Ltd. has initiated a process for identifying prospective buyers of its shares in the Company and once the definitive terms would be signed with the investors, the Company would make appropriate disclosure to the Stock Exchange and to the stakeholders.”

Mr. V. Srinivasa Rangan : “Anything else?”

“I now put the resolution to vote”.

“Those in favour may please raise their hands”.

(All the members present raised their hands)

“Those not in favour may please raise their hands”.

(No hands were raised)

“I declare the resolution as passed unanimously.”

“ITEM NO. 2

To appoint a director in place of Mr. V. Srinivasa Rangan (DIN: 00030248), who retires by rotation and being eligible, offers himself for re-appointment.

Mr. V. Srinivasa Rangan: “I, being interested in this item of business, would step down as Chairman for this Agenda. With the permission of the members present, may I propose Mr. B Mahapatra to chair this meeting.”

Mr. B. Mahapatra took the Chair.

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Mr. B. Mahapatra: “I now move the resolution in respect of Item No. 2 of the Notice relating to Re-appointment of Mr. V. Srinivasa Rangan as Director who retires by rotation.”

Mr. B. Mahapatra: “I request any one of the Members to propose the resolution.”

Mr. Ajay Agarwal: “I propose”

Mr. B. Mahapatra: “I request any one of the Members to second the resolution.”

Mr. Conrad D’Souza: “I second”

Mr. B. Mahapatra:

“I now put the resolution to vote.”

“Those in favour may please raise their hands.”

(All the members raised their hands)

“Those not in favour may please raise their hands”.

(No hands were raised)

“I declare the resolution as passed unanimously.”

“I request Mr. Rangan to chair the meeting”

Mr. V. Srinivasa Rangan: “Thank you Mr. Mahapatra.”

Mr. V. Srinivasa Rangan took the chair.

“ITEM NO. 3


To declare dividend on equity shares for the financial year ended March 31, 2023 @ Rs.1.10 per equity share

Mr. V. Srinivasa Rangan: “I request any one of the Members to propose the resolution.”

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Mr. Ajay Agarwal: "I propose"

Mr. V. Srinivasa Rangan: "I request any one of the Members to second the resolution."

Mr. Suresh Menon: "I Second"

Mr. V. Srinivasa Rangan: "I now put the resolution to vote."

"Those in favour may please raise their hands."

(All the members raised their hands)

"Those not in favour may please raise their hands".

(No hands were raised)

"I declare the resolution as passed unanimously."

"ITEM NO. 4

To approve appointment of M/s Gokhale & Sathe, Chartered Accountants (Firm Registration No.103264W) as Joint Statutory Auditors of the Company

Mr. V. Srinivasa Rangan: "I now move the Ordinary resolution in respect of Item No.4 of the Notice relating to appointment of M/s Gokhale & Sathe, Chartered Accountants (Firm Registration No.103264W) as Joint Statutory Auditors of the Company"

"I request any one of the Members to propose the resolution."

Mr. Dipta Bhanu Gupta: I propose

Mr. V. Srinivasa Rangan: "I request any one of the Members to second the resolution."

Mr. Ajay Agarwal and Mr. Conrad D'Souza: "I second"


Mr. V. Srinivasa Rangan: "I now put the resolution to vote".

"Those in favour may please raise their hands".

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(All the members raised their hands)
“Those not in favour may please raise their hands”.
(No hands were raised)
I declare the resolution as passed unanimously”

B. SPECIAL BUSINESS:

“ITEM NO. 5

To approve increase in the limits of borrowing by the Company

Mr. V. Srinivasa Rangan: *The members are informed that the Company proposes to increase the borrowing limit of the Company under Section 180 (1) (c) from Rs 20,000 crores to Rs. 23,000 crores:*

“I now move the Special resolution in respect of Item No.5 of the Notice relating increase in the limits of borrowing by the Company”

“I request any one of the Members to propose the resolution.”

Mr. Conrad D’Souza: *“I propose”*

Mr. V. Srinivasa Rangan: *“I request any one of the Members to second the resolution.”*

Mr. Suresh Menon: *“I second”*

Mr. V. Srinivasa Rangan: *“I now put the resolution to vote”.*

“Those in favour may please raise their hands”.
(All the members raised their hands)
“Those not in favour may please raise their hands”.
(No hands were raised)
I declare the resolution as passed unanimously.”


“ITEM NO. 6

To approve issuance of Non-Convertible Debentures and/or other hybrid instruments on a private placement basis upto Rs 7500 crores during the 12 months period from the date of this AGM

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Mr. V. Srinivasa Rangan: “I now move the Special resolution in respect of Item No.6 of the Notice relating issuance of Non-Convertible Debentures and/or other hybrid instruments on a private placement basis upto Rs 7500 crores during the 12 months period from the date of this AGM”

“I request any one of the Members to propose the resolution.”

Mr. Arunabh Bhattacharya and Mr. Ajay Agarwal: “I propose”

Mr. V. Srinivasa Rangan: “I request any one of the Members to second the resolution.”

Mr. Dipta Bhanu Gupta: “I second”

Mr. V. Srinivasa Rangan: “I now put the resolution to vote”.

“Those in favour may please raise their hands”.

(All the members raised their hands)

“Those not in favour may please raise their hands”.

(No hands were raised)

I declare the resolution as passed unanimously.”

“ITEM NO. 7

To approve Amendment to Articles of Association of the Company

Mr. V. Srinivasa Rangan: “I now move the Special resolution in respect of Item No.7 of the Notice relating to Amendment to Articles of Association of the Company”

“I request any one of the Members to propose the resolution.”

Mr. Arunabh Bhattacharya and Mr. Conrad D’Souza: “I propose”

Mr. V. Srinivasa Rangan: “I request any one of the Members to second the resolution.”

Mr. Ajay Agarwal: “I second”

Mr. V. Srinivasa Rangan: “I now put the resolution to vote”.

“Those in favour may please raise their hands”.

(All the members raised their hands)

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“Those not in favour may please raise their hands”.

(No hands were raised)

“I declare the resolution as passed unanimously.”

“ITEM NO. 8

To approve Commission payable to Independent Directors of the Company @ Rs.10 lakhs each for FY 2022-23

Mr. V. Srinivasa Rangan: *“I now move the Ordinary resolution in respect of Item No.8 of the Notice relating to Commission payable to Independent Directors of the Company ”*

“I request any one of the Members to propose the resolution.”

Mr. Arunabh Bhattacharya and Mr. Conrad D’Souza: *“I propose”*

Mr. V. Srinivasa Rangan: *“I request any one of the Members to second the resolution.”*

Mr. Suresh Menon: *“I second”*

Mr. V. Srinivasa Rangan: *“I now put the resolution to vote”.*

“Those in favour may please raise their hands”.

(All the members raised their hands)

“Those not in favour may please raise their hands”.

(No hands were raised)

“I declare the resolution as passed unanimously.”

“ITEM NO. 9

To approve Revised Employee Stock Option Plan of the Company-2022

Mr. V. Srinivasa Rangan: *“I now move the Special resolution in respect of Item No.9 of the Notice relating Revised Employee Stock Option Plan of the Company”*

“I request any one of the Members to propose the resolution.”

Mr. Conrad D’Souza: *“I propose”*

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Mr. V. Srinivasa Rangan: "I request any one of the Members to second the resolution."

Mr. Ajay Agarwal and Mr. Suresh Menon: "I second"

Mr. V. Srinivasa Rangan: "I now put the resolution to vote".

"Those in favour may please raise their hands".

(All the members raised their hands)

"Those not in favour may please raise their hands".

(No hands were raised)

"I declare the resolution as passed unanimously"

"ITEM NO. 10

To approve payment of commission to Mr. Arijit Sanyal, Managing Director & CEO of the Company

Mr. V. Srinivasa Rangan: "I now move the Ordinary resolution in respect of Item No.10 of the Notice relating to payment of commission to Mr. Arijit Sanyal, Managing Director & CEO of the Company"

"I request any one of the Members to propose the resolution."

Mr. Ajay Agarwal: "I propose"

Mr. V. Srinivasa Rangan: "I request any one of the Members to second the resolution."

Mr. Suresh Menon: "I second"

Mr. V. Srinivasa Rangan: "I now put the resolution to vote".

"Those in favour may please raise their hands".

(All the members raised their hands)

"Those not in favour may please raise their hands".

(No hands were raised)

"I declare the resolution as passed unanimously."

Vote of Thanks:

"I would like to thank all the Shareholders for attending the 18th Annual General meeting. I now declare the proceedings of the 18th Annual General Meeting of the Company as closed. Thank you everyone."

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