

HDFC Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Private Limited)

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

Tel: +91-022-28266636 **Email:** investor@hdfccredila.com **Website:** www.hdfccredila.com

CIN : U67190MH2006PLC159411

NOTICE

Notice is hereby given that the Extra-Ordinary General Meeting (“EGM”) of the Shareholders of HDFC Credila Financial Services Limited will be held on Monday, April 18, 2022 at 12:30 p.m. at HDFC House, 165/166, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai- 400020 to transact the following business:

SPECIAL BUSINESS:

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

Approval of Revised Employee Stock Option Plan of the Company (amended to the extent of revised vesting schedule)

“**RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 (“the Act”), read with the Companies (Share Capital and Debentures) Rules, 2014 (“the Rules”) made thereunder (including any amendment, modification, variation or re-enactment thereof), the Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines as may be applicable from time to time and subject to the approval(s), consent(s), permission(s) and / or sanction(s) as may be required from appropriate regulatory authorities / institutions or bodies and subject to such terms and conditions as may be prescribed / imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include the Nomination & Remuneration Committee or any other Committee of the Company constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution), consent of the shareholders of the Company be and is hereby accorded to the revised HDFC Credila Employees Stock Option Plan 2022 (“**ESOP-2022**”)”

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above but subject to the terms mentioned in the explanatory statement to this resolution, which are hereby approved by the Members, the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of ESOP-2022, from time to time, as it may in its sole and absolute discretion decide, subject to the conformity of the Companies Act, 2013 and rules thereunder.”

“**RESOLVED FURTHER THAT** subject to the terms stated herein, the equity shares allotted pursuant to this resolution shall rank *pari passu* inter se with the then existing equity shares of the Company, in all respects.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the formulation and implementation of ESOP – 2022 and to the shares (including to amend or modify any of the terms thereof) issued herein without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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“**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to update, maintain and preserve ‘The Register of Employee Stock Options’ in the prescribed format pursuant to Section 62(1)(b) of the Companies Act, 2013 and rule 12(10) of The Companies (Share Capital and Debentures) Rules, 2014”

By Order of the Board of Directors

Company Secretary

Registered Office:

B-301, Citi Point, Andheri-Kurla Road,
Andheri (East), Mumbai 400 059
Tel: 022 - 62335113 / +91 8879021529

Date: April 16, 2022

Place: Mumbai

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The proxy form, duly completed and stamped, must reach the Registered Office of the Company before the meeting.

2. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such representative to attend and vote on their behalf at the meeting.
3. All the relevant documents referred in this Notice shall remain open for inspection by the Members of the Company at the Registered Office from 10:00 AM to 4:00 PM on all working days (except Saturday) upto the date of this Extra-Ordinary General Meeting.
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.

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Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Agenda Item No. 1

The Nomination & Remuneration Committee, at its meeting held on March 25, 2022 the Board of Directors at its meeting held on March 26, 2022 and the shareholders of the Company at the Extra-Ordinary General Meeting of the Company held on March 31, 2022, had approved the HDFC Credila Employees Stock Option Plan 2022 ("ESOP - 2022") Scheme.

To accelerate the vesting schedule, it is proposed to alter the existing ESOP vesting schedule as stated in the ESOP-2022 Scheme. As per the revised ESOP vesting schedule, the ESOPs are proposed to be vested in the following manner:

Existing vesting schedule

Subject to such terms as the NRC may decide in its absolute discretion, the Options were to vest in three instalments in the following manner:

1. One third 1 / 3rd of the total Options Granted to an Eligible Employee to vest on completion of one year from Date of Grant (First Vesting);
2. The next one third 1 / 3rd of the total Options Granted to an Eligible Employee to vest on completion of two years from the Date of Grant (Second Vesting);
3. The balance 1 / 3rd of the total Options Granted to an Eligible Employee to vest on completion of three years from the Date of Grant (Third Vesting);

Proposed vesting schedule

Subject to such terms as the NRC may decide in its absolute discretion, the Options are now proposed to vest in two instalments in the following manner:

1. One half of the total Options Granted to an Eligible Employee to vest on completion of one year from Date of Grant (First Vesting);
2. The balance half of the total Options Granted to an Eligible Employee to vest on completion of two years from the Date of Grant (Second Vesting);

The Nomination & Remuneration Committee of the Company, at its meeting held on April 13, 2022, have approved the revised ESOP - 2022 Scheme.

The ESOP – 2022 Scheme will be implemented directly and administered by the Nomination Remuneration and Compensation (“NRC”) Committee of the Company. The key terms of ESOP – 2022 are as under:

1	Total number of stock options to be granted	Total stock options upto 40,72,565 convertible into equal number of equity shares of the face value Rs.10/- each fully paid-up subject to any corporate action.
2	Identification of classes of employees entitled to participate in ESOP-2022	Permanent Employees of the Company as maybe determined by the NRC Committee at its sole discretion from time to time.

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3	Appraisal process for determining the eligibility of employees	Quantum of allocation will be based on specific criteria laid down including performance, merit, grade, conduct and length of service. Allocation for employees above grade of Chief Manager based on factors like seniority, tenure, role complexity, potential, pedigree etc
4	Requirements of vesting and period of vesting.	For employees who have not completed 3 years of continuous service with the Company as on the date of grant of options the First Vesting will be later of a) one year from date of the grant or b) date of completion of 3 years of continuous service. One half of the total Options Granted to an Eligible Employee to vest on completion of one year from Date of Grant (First Vesting); The balance half of the total Options Granted to an Eligible Employee to vest on completion of two years from the Date of Grant (Second Vesting);
5	Maximum period within which the options shall be vested	In accordance with the ESOP - 2022
6	Exercise price or the formula for arriving at the same	Fair value per Share of the Company as determined by an independent valuer appointed by the NRC, on the date of Grant.
7	Exercise Period and process of exercise	As stated in ESOP - 2022.
8	Lock-in Period, if any	The Shares allotted pursuant to Exercise of Options by the Eligible Employees shall not be subject to any lock-in restrictions, unless so required under any applicable law.
9	Maximum number of options to be granted per employee and in aggregate	The maximum number of options to be granted to any eligible employee during any one year will be decided by the NRC. No Eligible Employee will be Granted Options in excess of 1% of the paid-up capital of the Company. The aggregate of all such options granted under ESOP-2022 shall not exceed 40,72,565 options
10	Method which the company shall use to value its options	As stated in ESOP - 2022
11	Conditions under which option vested in employees may lapse	As stated in ESOP - 2022.

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12	Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	As stated in ESOP - 2022.
13	Method of option valuation	The Company shall adopt the fair value method or any other method as per applicable Accounting Standards or prescribed under any other statutory provisions from time to time for valuation of options.

Pursuant to Section 62 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, approval of the shareholders by way of special resolution is required for issue of employee stock options to the employees of the Company.

The Board recommends the resolution set out in item no. 1 of this notice for the approval of the Shareholders of the Company.

No one other than the Key Managerial Personnel of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Stock Options that may be granted to them and the resultant equity shares issued, as applicable.

By Order of the Board of Directors

Company Secretary

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Tel: 022 - 62335113 / +91 8879021529

Date: April 16, 2022

Place: Mumbai

ATTENDANCE SLIP

(Please hand over at the entrance of the Meeting venue)

Folio No./Client ID	
Name and address of the Member	

I hereby record my presence at the Extraordinary General Meeting of the Members of the Company held at HDFC House, H. T. Parekh Marg, 165-166 Backbay Reclamation, Churchgate, Mumbai 400 020 on Monday, April 18,2022 at 12:30 p.m.

Full name of the Member/ Proxy attending the meeting	
Member's/ Proxy's Signature	

Note: Your entry to the meeting will be regulated by this attendance slip.

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Form No. MGT – 11

PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):		E-mail:	
Registered Address:		Folio no./Client ID:	
		DP ID:	

I/We being the Member(s) of _____ equity shares of Rs.10 each of HDFC Credila Financial Services Limited, hereby appoint:

1. Name: _____

Address: _____

E-mail: _____

_____, Signature: _____, Or failing him /her

2. Name: _____

Address: _____

E-mail: _____

_____, Signature: _____, Or failing him / her

3. Name: _____

Address: _____

E-mail: _____

_____, Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the Members of the Company to be held on Monday, April 18,2022 at 12:30 p.m. at HDFC House, H. T. Parekh Marg, 165-166 Backbay Reclamation, Churchgate, Mumbai 400 020 and at any adjournment(s) thereof, in respect of such resolutions in the manner as indicated below:

Sr. No.	Brief details of the resolution	Optional		
		FOR	AGAINST	ABSTAIN
1.	Approval of revised Employee Stock Option Plan of the Company - ESOP-2022			

Signed this _____ day of _____, 2022

Signature of Member(s): _____

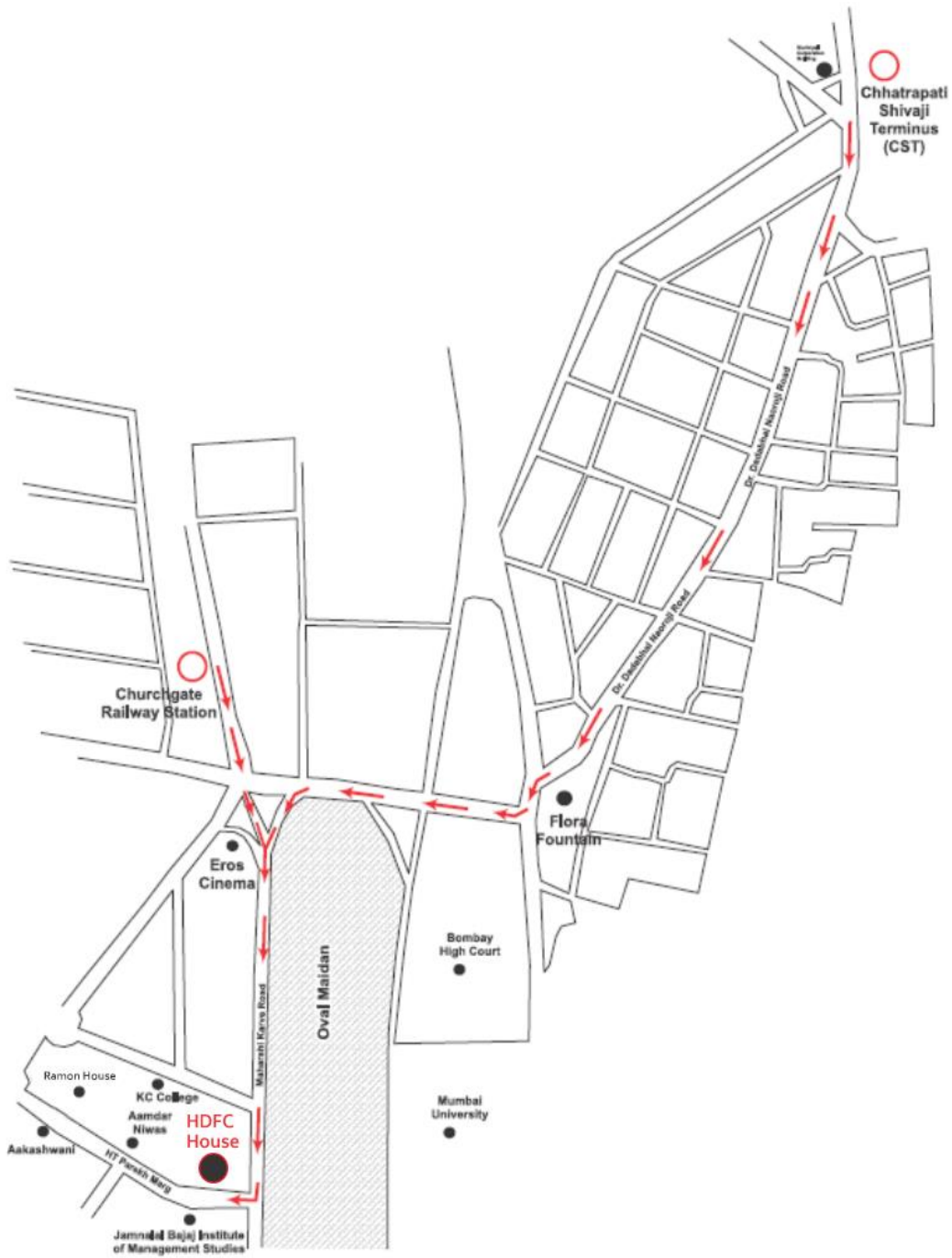
Signature of the Proxy holder(s): _____

Affix Revenue Stamp

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company before the commencement of the meeting.
2. A Proxy need not be a Member of the Company.
3. A person appointed as proxy shall act on behalf of not more than fifty (50) members and holding not more than 10% of the total share capital of the company carrying voting rights. However, a Member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as Proxy and such person shall not act as proxy for any other person or Member.
4. Optional. Please put a '√' in the appropriate column against the resolutions indicated in the box.

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ROUTE MAP TO THE EGM VENUE