HDFC BANK
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CIN : L65920MH1994PLC080618
E-mail : shareholder.grievances@hdfcbank.com
Website : www.hdfcbank.com

HDFC Bank Limited
Zenith House,
Opp. Race Course Gate 5 & 6,
Keshavrao Khadye Marg,
Mahalaxmi, Mumbai - 400034.
Tel.: 022-39760001 / 0012

Annexure 12A

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("ID COMMITTEE") RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMALGAMATION BETWEEN HDFC HOLDINGS LIMITED ("HDFC HOLDINGS"), HDFC INVESTMENTS LIMITED ("HDFC INVESTMENTS"), HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED ("HDFC LIMITED"), HDFC BANK LIMITED ("HDFC BANK") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS FOR THE AMALGAMATION OF: (A) HDFC HOLDINGS AND HDFC INVESTMENTS WITH HDFC LIMITED; AND (B) HDFC LIMITED WITH HDFC BANK AT ITS MEETING HELD ON APRIL 4, 2022 AT 08.00A.M.

Present Members:

Mr. Atanu Chakraborty	Chairman & Independent Director
Mrs. Lily Vadera	Independent Director
Mr. Malay Patel	Independent Director
Mr. M. D. Ranganath	Independent Director
Mr. Sandeep Parekh	Independent Director
Mr. Sanjiv Sachar	Independent Director
Dr. (Mrs.) Sunita Maheshwari	Independent Director
Mr. Umesh Chandra Sarangi	Independent Director

1. Background

1.1. The Committee of Independent Directors was formed at the meeting of the Board of Directors of HDFC Bank ("**Board**")was held on April 4, 2022 at 07.30 A.M., to consider and recommend to the Board, the scheme of amalgamation between HDFC Holdings and HDFC Investments with HDFC Limited; and (B) HDFC Limited with HDFC Bank and their respective shareholders and creditors ("**Scheme**") under sections 230 to 232 of the Companies Act, 2013 ("**Act**") and other applicable provisions of law subject to receipt of necessary approvals including from the Reserve Bank of India, stock exchanges, the Securities and Exchange Board of India, Competition Commission of India,

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National Company Law Tribunal, any other authorities or persons as may be required under applicable law and the draft implementation agreement ("Implementation Agreement") between HDFC Limited and HDFC Bank ("**Proposed Transaction**").

1.2. The appointed date for the proposed amalgamation of HDFC Limited with HDFC Bank, shall be the effective date of the Scheme. Further, the appointed date for the proposed amalgamation of HDFC Holdings and HDFC Investments with HDFC Limited, shall mean the end of the day immediately preceding the effective date of the Scheme.

1.3. This report of the ID Committee is made in order to comply with the requirements of Para 2(i) of the '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Subrule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*'[1] dated November 23, 2021 issued by SEBI ("**SEBI Master Circular**") according to which the Scheme is required to be considered and recommended by the ID Committee, taking into account *inter alia* the Valuation Report (*as referenced hereunder)* .

1.4. HDFC Bank is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. HDFC Limited is a public listed deposit taking housing finance company that has obtained certificate of registration from National Housing Board in this regard.

1.5. The ID Committee has discussed and noted that the Audit Committee has recommended the approval of the draft Scheme and the draft implementation agreement and has made this report after perusing the following documents:

(a) the draft Scheme;

(b) the draft implementation agreement proposed to be entered into by and between HDFC Limited and HDFC Bank;

(c) (i) legal due diligence report prepared by Wadia Ghandy & Co. and (ii) financial due diligence report prepared by Deloitte Touche Tohmatsu India LLP ;

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[1] SEBI Circular No. - SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665

(d) the Valuation Report dated April 4, 2022 submitted by Deloitte Touche Tohmatsu India LLP and Mr. Harsh Ruparelia (Registered Valuer) independent Chartered Accountants ("**Valuation Report**") and the summary thereof;

(e) fairness opinion dated April 4, 2022 issued by Morgan Stanley India Company Private Limited, a SEBI registered merchant banker appointed by HDFC Limited ("**Fairness Opinion**");

(f) certificate issued by M M Nissim & Co. LLP, Chartered Accountants, joint statutory auditors of HDFC Bank, pursuant to paragraph A.5 of Part I of the '*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*'[2] dated November 23, 2021 issued by Securities and Exchange Board of India ("**SEBI Master Circular**");

(g) draft of the Detailed Compliance Report to be filed with the stock exchange(s);

(h) presentations made by MD & CEO and CFO.

1.6. Presentations made by the Managing Director & Chief Executive Officer and Chief Financial Officer before the Audit Committee.

2. Salient Features of the proposed Scheme

2.1. The ID Committee noted the brief particulars of the Scheme as under:

2.1.1. The Scheme provides for the amalgamation of (a) HDFC Holdings and HDFC Investments with HDFC Limited; and (b) HDFC Limited with HDFC Bank and dissolution of HDFC Holdings, HDFC Investments and HDFC Limited without winding up.

2.1.2. Sections 230 to 232 of the Companies Act, 2013, SEBI Master Circular, the relevant RBI regulations and such other regulations as applicable from time to time, shall govern the Scheme.

[2] SEBI Circular No. - SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665

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2.1.3. The appointed date for the proposed amalgamation of HDFC Holdings and HDFC Investments with HDFC Limited, shall mean the end of the day immediately preceding the effective date of the Scheme ("**Appointed Date 1**"). The appointed date for the proposed amalgamation of HDFC Limited with HDFC Bank, shall be the same as the effective date of the Scheme ("**Appointed Date 2**").

2.1.4. Amalgamation of the (i) HDFC Holdings and HDFC Investments with HDFC Limited; and (ii) HDFC Limited with HDFC Bank shall be in accordance with section 2(1B) of the Income-tax Act, 1961.

2.1.5. Upon coming into effect of the Scheme and in consideration of the proposed transaction of:

(a) HDFC Holdings Limited and HDFC Investments Limited with HDFC Limited-: no consideration shall be payable, and the securities held by HDFC Limited and its nominees in HDFC Holdings Limited and HDFC Investments Limited, respectively, shall stand cancelled without any further act, application or deed; and

(b) HDFC Limited with HDFC Bank-: HDFC Bank shall, without any further application, act or deed, issue and allot to the shareholders of HDFC Limited whose names are recorded in the register of members as a member of HDFC Limited on the record date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of HDFC Bank), such number of shares as determined by the valuer in the valuation report and approved by the Board.

2.1.6. With effect from Appointed Date 1 and upon the Part C of the proposed Scheme becoming effective, HDFC Holdings and HDFC Investments along with all their assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of HDFC Holdings and HDFC Investments respectively shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in HDFC Limited, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, in accordance with Sections 230 - 232 of the Companies Act, 2013, the Income-tax Act, 1961 and applicable provisions, if any.

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2.1.7. HDFC Limited shall, upon the Scheme becoming effective and with effect from Appointed Date 1, record the assets and liabilities of HDFC Holdings and HDFC Investments (as appearing in the books of accounts of HDFC Holdings and HDFC Investments respectively, at the close of business on the day preceding the effective date of the Scheme) as vested in it pursuant to the Scheme, at the respective book values thereof.

2.1.8. With effect from Appointed Date 2 and upon the Part D of the proposed Scheme becoming effective, HDFC Limited along with all their assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of HDFC Limited shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in HDFC Bank, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, in accordance with Sections 230 - 232 of the Companies Act, 2013, the Income-tax Act, 1961 and applicable provisions, if any.

2.1.9. HDFC Bank shall, upon the Scheme becoming effective and with effect from Appointed Date 2, record the assets and liabilities of HDFC Limited (as appearing in the books of accounts of HDFC Limited on the Appointed Date 2) as vested in it pursuant to the Scheme, at the respective book values thereof.

2.1.10. During the period between the approval of the Scheme by the respective Boards of HDFC Limited and HDFC Bank and up to the Effective Date as referred in the Scheme, the business of HDFC Limited and HDFC Bank shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with the applicable law and as mutually agreed between HDFC Limited and HDFC Bank.

2.1.11. The effectiveness of the Scheme is contingent upon certain conditions as mentioned in the Scheme including the receipt of the approval from the RBI and other applicable approvals.

3. Rationale for the Scheme

a. the Amalgamation, through the Scheme, shall enable the Amalgamated Company to build its housing loan portfolio and enhance its existing customer base;

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b. the Amalgamation is based on leveraging the significant complementarities that exist amongst the parties to the Scheme. The Amalgamation would create meaningful value for various stakeholders including respective shareholders, customers, employees, as the combined business would benefit from increased scale, comprehensive product offering, balance sheet resiliency and the ability to drive synergies across revenue opportunities, operating efficiencies and underwriting efficiencies, amongst others;

c. the Amalgamated Company is a private sector bank and has a large base of over 6.8 Crore customers. The bank platform will provide a well-diversified low cost funding base for growing the long tenor loan book acquired by the Amalgamated Company pursuant to the Amalgamation;

d. the Amalgamated Company is a banking company with a large distribution network that offers product offerings in the retail and wholesale segments. The Amalgamating Company is a premier housing finance company in India and provides housing loans to individuals as well as loans to corporates, undertakes lease rental discounting and construction finance apart from being a financial conglomerate. A combination of the Amalgamating Company and the Amalgamated Company is entirely complementary to, and enhances the value proposition of, the Amalgamated Company;

e. the Amalgamated Company would benefit from a larger balance sheet and networth which would allow underwriting of larger ticket loans and also enable a greater flow of credit into the Indian economy;

f. the Amalgamating Company has invested capital and developed skills and has set up approximately 464 (Four Hundred and Sixty Four) offices across the country. These offices can be used to sell the entire product suite of both the Amalgamating Company and the Amalgamated Company;

g. the loan book of the Amalgamating Company is diversified having cumulatively financed over 90 lakh dwelling units. With the Amalgamating Company's leadership in the home loan arena, developed over the past 45 years, the Amalgamated Company would be able to provide to customers flexible mortgage offerings in a cost-effective and efficient manner;

h. the Amalgamated Company has access to funds at lower costs due to its high level of current and savings accounts deposits (CASA). With the amalgamation of the Amalgamating Company with the Amalgamated Company, the Amalgamated Company will be able to offer more competitive housing products;

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i. the Amalgamating Company's rural housing network and affordable housing lending is likely to qualify for Amalgamated Company as priority sector lending and will also enable a higher flow of credit into priority sector lending, including agriculture;

j. the Amalgamation will result in reducing the Amalgamated Company's proportion of exposure to unsecured loans;

k. the Amalgamating Company has built technological capabilities to evaluate the credit worthiness of customers using analytical models, and has developed unique skills in financing various customer segments. The models have been tested and refined over the years at scale and the Amalgamated Company will benefit from such expertise in underwriting and financing of mortgage offerings;

l. the Amalgamated Company can leverage on the loan management system, comprising rule engines, IT tools and rules, agents connected through a central system;

m. the Amalgamation is expected to result in bolstering the capital base and bringing in resiliency in the balance sheet of the Amalgamated Company;

n. the Transferor Companies are Systemically Important Non - Deposit Taking Non - Banking Financial Companies and are also wholly owned subsidiaries of the Amalgamating Company. The Amalgamation shall result in simplified corporate structure.

4. Scheme not detrimental to the shareholders of the Company

The ID Committee discussed the rationale in detail, salient features and expected benefits of the Scheme. The ID Committee noted that the Scheme is in the interest of the shareholders on account of benefits as enumerated above, which may also potentially unlock long term value. The ID Committee also noted that pursuant to the Scheme, the shareholders of the Bank will benefit with larger business opportunities and asset base of the Bank.

Considering the overall rationale and benefit of the Scheme, the ID Committee is of the unanimous view that the Scheme is in the best interest of all stakeholders including the shareholders of the Bank. In fact, after the implementation of the Scheme, HDFC Limited will cease to be the promoter and the resultant HDFC Bank will be fully publicly held and professionally managed. The ID Committee also opined that the Scheme is in the best interests of the shareholders and will not adversely affect the rights or interest of any shareholder of the Bank including the minority shareholders.

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5. Recommendation of the ID Committee

In light of the aforesaid, the ID Committee taking into consideration the impact of the Scheme on the shareholders, Valuation Report, Fairness Opinion and other documents presented to the ID Committee, unanimously recommend the draft Scheme to the Board for its approval and for favourable consideration by the Reserve Bank of India, BSE Limited, National Stock Exchange of India Limited, Competition Commission of India, National Company Law Tribunal, and SEBI and any other regulatory / governmental authority or person as may be required.

In order for HDFC Bank to comply with the requirements of extant regulations applicable to the listed companies undertaking any scheme of amalgamation under the Act, this report, approved unanimously by all the members of ID Committee, be placed before the Board while considering the Scheme for approval and further authorisations.

For and on behalf of the Committee of Independent Directors of HDFC Bank Limited

Name: Atanu Chakraborty
Designation: Chairman & Independent Director
Date: April 4, 2022
Place: Mumbai

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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF THE CORPORATION RECOMMENDING THE DRAFT COMPOSITE SCHEME OF AMALGAMATION BETWEEN HDFC INVESTMENTS LIMITED ("HDFC INVESTMENTS"), HDFC HOLDINGS LIMITED ("HDFC HOLDINGS"), THE CORPORATION, HDFC BANK LIMITED ("BANK" OR "HDFC BANK") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS FOR THE AMALGAMATION OF: (A) HDFC INVESTMENTS AND HDFC HOLDINGS INTO AND WITH THE CORPORATION; AND (B) THE CORPORATION INTO AND WITH THE BANK AT ITS MEETING HELD ON MONDAY, APRIL 4, 2022

Present Members:

1. Mr. U. K. Sinha
2. Mr. Jalaj Dani
3. Dr. Bhaskar Ghosh
4. Ms. Ireena Vittal
5. Mr. Rajesh Gupta

1. Background

1.1. The Board of Directors of the Corporation ("**Board**") during its meeting on **Monday, April 4, 2022** constituted this Committee of Independent Directors ("**ID Committee**") for the limited purpose of obtaining a report from this committee to consider and recommend to the Board the composite scheme of amalgamation between the HDFC Investments, HDFC Holdings, the Corporation, the Bank, and their respective shareholders and creditors for the amalgamation of: (a) HDFC Investments and HDFC Holdings with and into the Corporation; and (b) the Corporation with and into the Bank ("**Scheme**") under sections 230 to 232 of the Companies Act, 2013 ("**Act**") and other applicable provisions of law subject to the receipt of necessary approvals including from the Reserve Bank of India ("**RBI**"), Securities and Exchange Board of India ("**SEBI**"), the Competition Commission of India ("**CCI**"), the National Housing Bank ("**NHB**"), the Insurance Regulatory and Development Authority of India ("**IRDAI**"), the Pension Fund Regulatory and Development Authority ("**PFRDA**"), the National Company Law Tribunal, BSE Limited, the National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), and such other regulatory authorities, as may be applicable.

1.2. This report of the ID Committee is made in order to comply with the requirements of Para 2(i) of the 'Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957' dated November 23, 2021 issued by SEBI ("**SEBI Master Circular**") according to which the Scheme is required to be considered and recommended by the ID Committee.

1.3. The Corporation is a deposit taking housing finance company registered with the NHB and its shares are listed on the Stock Exchanges.

1.4. HDFC Investments and HDFC Holdings are non-deposit accepting non-banking financial companies registered with RBI, engaged in the business of making investments in equity shares, preference shares, debentures and other securities.

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COMPANY SECRETARY

1.5. The Bank is licensed as a banking company with the RBI in terms of the Banking Regulation Act, 1949 and its shares are listed on the Stock Exchanges.

1.6. The ID Committee has discussed and has made this report after perusing the following documents:

(a) the draft Scheme;

(b) the draft implementation agreement proposed to be entered into by and between the Corporation and the Bank;

(c) the (i) due diligence report prepared by AZB & Partners, (ii) financial due diligence report prepared by Bansi S. Mehta & Co., Chartered Accountants, and (iii) tax due diligence report prepared by Bansi S. Mehta & Co., Chartered Accountants;

(d) the valuation report dated April 4, 2022 submitted by Bansi S. Mehta & Co., Chartered Accountants and Ms. Drushti Desai, Registered Valuer ("**Valuation Report**") along with the summary thereof;

(e) fairness opinion dated April 4, 2022 issued by BofA Securities India Limited, a SEBI registered merchant banker appointed by the Corporation ("**Fairness Opinion**");

(f) draft certificate by Messrs S. R. Batliboi & Co. LLP and Messrs G. M. Kapadia & Co., chartered accountants, joint statutory auditors of the Corporation, pursuant to paragraph A(5)(a) of Part I of the SEBI Master Circular; and

(g) other presentations, reports, documents and information made to/ furnished before the Audit and Governance Committee.

2. Salient Features of the proposed Scheme

2.1. The ID Committee noted the brief particulars of the Scheme as under:

(a) The Scheme provides for the proposed amalgamation of (a) HDFC Investments and HDFC Holdings with and into the Corporation and the subsequent dissolution of HDFC Investments and HDFC Holdings; and (b) the Corporation with and into the Bank and the subsequent dissolution of the Corporation without winding up.

(b) Sections 230 to 232 of the Act and the SEBI Master Circular, the relevant RBI regulations and such other regulations, as may be applicable from time to time, shall govern the Scheme.

(c) The appointed date for the proposed amalgamation of HDFC Holdings and HDFC Investments with the Corporation, shall mean the end of the day immediately preceding the effectiveness of the Scheme ("**Appointed Date 1**"). The appointed date for the proposed amalgamation of the Corporation with and into the Bank, shall be the same as the Effective Date (*as defined in the Scheme*) ("**Appointed Date 2**").

(d) Amalgamation of: (a) HDFC Investments and HDFC Holdings with and into the

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Corporation; and (b) the Corporation with and into the Bank shall be in accordance with section 2(1B) of the Income Tax Act, 1961.

(e) Upon coming into effect of the Scheme and in consideration of the proposed amalgamation of:

(i) HDFC Investments and HDFC Holdings with the Corporation, no consideration shall be payable, and the securities held by the Corporation and its nominees in the HDFC Investments and HDFC Holdings, shall stand cancelled without any further act, application or deed; and

(ii) The Corporation with the Bank, the Bank shall, without any further application, act or deed, issue and allot to the shareholders of the Corporation whose names are recorded in the register of members as a member of the Corporation on the record date (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Bank), 42 (Forty-two) equity shares of the face value of Rs. 1 (Rupees One) each of the Bank (credited as fully paid-up) for every 25 (Twenty-five) equity shares of the face value of Rs. 2 (Rupees 2) each fully paid-up held by such member in the Bank ("**Share Exchange Ratio**").

(f) With effect from the Appointed Date 1 and upon Part C of the Scheme becoming effective, HDFC Investments and HDFC Holdings along with all their assets, liabilities, contracts, employees, licenses, records, approvals, etc. being their respective integral parts shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Corporation, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, in accordance with Sections 230 - 232 of the Act, the Income-Tax Act, 1961 and applicable provisions, if any.

(g) The Corporation shall, upon the Scheme becoming effective and with effect from Appointed Date 1, record the assets, liabilities and reserves, if any, of the HDFC Investments and HDFC Holdings as vested in it pursuant to the Scheme, at the respective book values and in the same form as appearing in the books of HDFC Investments and HDFC Holdings.

(h) With effect from the Appointed Date 2 and upon Part D of the Scheme becoming effective, the Corporation along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being its integral part shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Bank, as a going concern, without any further act, instrument or deed, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to the provisions of the Scheme, in accordance with Sections 230 - 232 of the Act, the Income-Tax Act, 1961 and applicable provisions, if any.

(i) The Bank shall, upon the Scheme becoming effective and with effect from Appointed Date 2, record the assets and liabilities of the Corporation as vested in it pursuant to the Scheme in accordance with the accounting standards notified under Section 133

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of the Act and the rules.

(j) During the period between the approval of the Scheme by the respective Boards of the Corporation and the Bank and up to the Effective Date (as referred in the Scheme), the business of HDFC Investments, HDFC Holdings, the Corporation and the Bank shall be carried out with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with the applicable law and as mutually agreed between: HDFC Investments, HDFC Holdings and the Corporation; and the Corporation and the Bank.

(k) The effectiveness of the Scheme is contingent upon certain conditions as mentioned in the Scheme including the receipt of the requisite approvals.

3. Rationale for the Scheme

The ID Committee noted the rationale of the proposed amalgamation and noted that the proposed amalgamation results in the following benefits:

(a) The Amalgamation shall enable HDFC Bank to build its housing loan portfolio and enhance its existing customer base.

(b) The Corporation has invested capital and developed skills and has set up 464 offices across the country. These offices can be used to sell the entire product suite of both the Corporation and HDFC Bank.

(c) The loan book of the Corporation is diversified having cumulatively financed over 90 lakh dwelling units. With the Corporation's leadership in the home loan arena, developed over the past 45 years, the resultant Bank would be able to provide to customers flexible mortgage offerings in a cost-effective and efficient manner.

(d) HDFC Bank has access to funds at lower costs due to its high level of current and savings accounts deposits (CASA). With the Amalgamation, the Bank will be able to offer more competitive housing products.

(e) The Corporation's rural housing network and affordable housing lending is likely to qualify for HDFC Bank as priority sector lending and will also enable a higher flow of credit into priority sector lending, including agriculture.

(f) The Amalgamation will result in reducing HDFC Bank's proportion of exposure to unsecured loans.

(g) HDFC Bank can leverage on the loan management system, comprising rule engines, IT tools and rules, agents connected through a central system.

(h) The Amalgamation is expected to result in bolstering the capital base and bringing in resiliency in the balance sheet of HDFC Bank.

(i) The need to achieve greater efficiency in cash management and improved access to cash flow generated by the combined business, which can be deployed more efficiently, to maximise shareholder value.

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(j) Leveraging the significant complementarities that exist amongst the parties to the proposed amalgamation through the Scheme ("Amalgamation"), which would create meaningful value for various stakeholders.

(k) HDFC Investments and HDFC Holdings are Systemically Important Non - Deposit Taking Non - Banking Financial Companies and are also wholly owned subsidiaries of the Corporation. The Amalgamation would result in simplified corporate structure.

4. Scheme not detrimental to the shareholders of the Company

The ID Committee discussed the salient features, rationale and expected benefits of the Scheme. The ID Committee noted that the proposed Scheme is not detrimental to the interest of the shareholders on account of benefits as stated below:

(i) create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies amongst others; and

(ii) greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximise shareholder value

The ID Committee also noted that pursuant to the Scheme, the shareholders of the Corporation will have a share in returns arising from large business operations and asset base of the Corporation.

Considering the overall rationale and benefit of the Scheme, the ID Committee is of the view that the Scheme is in the best interest of all stakeholders including the shareholders of the Corporation, and no shareholder is expected to have disproportionate advantage or disadvantage in any manner. The Scheme will not adversely affect the rights or interest of any shareholder of the Corporation including the minority shareholders, in any manner whatsoever.

5. Recommendation of the ID Committee

In light of the aforesaid, the ID Committee taking into consideration the impact of the Scheme on the shareholders, Valuation Report and the Fairness Opinion presented to the ID Committee, unanimously recommend the Scheme in its present form to the Board for its approval and for favourable consideration by the Board, the RBI, SEBI, IRDAI, PFRDA, CCI, Stock Exchanges, NCLT and such other regulatory authorities, as may be applicable.

In order for the Corporation to comply with the requirements of extant regulations applicable to the listed companies undertaking any scheme of amalgamation under the Act, this report of the ID Committee may please be taken on record by the Board while considering the Scheme for approval and further authorisations.

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For and on behalf of the Committee of Independent Directors of Housing Development Finance Corporation Limited

Name:
Designation: Chairman, Committee of Independent Directors
Date: April 4, 2022
Place: Mumbai

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