

September 1, 2023

To,
The Manager,
National Stock Exchange of India Limited ('NSE'),
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

Dear Sir/Madam,

Sub: Intimation under Regulation 50(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 50(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the Twelfth Annual General Meeting of the Company scheduled to be held on September 26, 2023, at 12:00 Noon.

You are requested to kindly take the above on record.

Thanking you,

Yours Sincerely,

For Toyota Financial Services India Limited

R Nithya Prabhu
Company Secretary & Compliance Officer
ICSI Membership No: F9087

Enclosed: As above

TOYOTA FINANCIAL SERVICES INDIA LIMITED

Registered Office: No. 21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore – 560 025
P: +91 80 4344 2800 | F: +91 80 4344 2930 | cs@tfsin.co.in | www.toyotafinance.co.in | CIN: U74900KA2011FLC058752

NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twelfth Annual General Meeting (AGM) of the Shareholders of Toyota Financial Services India Limited will be held on Tuesday, September 26, 2023, at 12.00 Noon (IST), through Video Conferencing ("VC") via Microsoft Teams / Other Audio-Visual Means (OAVM), deemed to be held at the registered office of the Company at No. 21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bengaluru – 560025 (Karnataka, India) to transact the following business:

Ordinary Business:

- 1. Receive, consider and adopt the Audited Financial Statements of the Company as on March 31, 2023, including the Audited Balance Sheet as on March 31, 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year ended as on March 31, 2023, together with Reports of Directors (Boards' Report) and Auditors thereon.**
- 2. Re-appointment of Mr. Narayanaswamy Raja (DIN: 06840450), who retires by rotation, being eligible, offers himself for reappointment.**
- 3. Ratification of appointment and approval of continuation of Statutory Auditors of the Company.**

To consider and, if thought fit, to pass, with or with modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, RBI guidelines on appointment of Statutory Auditors of NBFCs issued on April 27, 2021, and any other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, the appointment of M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) in the Tenth Annual General Meeting held in the year 2021, for a period of 3 (three) consecutive years, be and is hereby ratified to continue to hold office until the conclusion of the Thirteenth Annual General Meeting of the Company to be held in the year 2024, subject to the firm satisfying the eligibility norms each year, at a remuneration to be determined by the Board of Directors or any other person(s) authorized by the Board of Directors or the Audit Committee including fees payable for Limited Review Reports, Regulatory Certificates and Tax Audit but excluding actual travelling and out of pocket expenses incurred in connection with the audit, fees for other non-audit services / certifications, taxes as applicable, during the appointed period, with a power to the Board / Audit Committee to alter, vary and finalise the terms and conditions of appointment, as may be deemed necessary.

RESOLVED FURTHER THAT the Board of Directors or any other person(s) authorized by the Board of Directors or the Audit Committee of the Board be and is hereby authorised do all such other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

Special Business:

4. Appointment of Mr. Tetsuo Higuchi (DIN: 10265141) as a Non-Executive Director of the Company.

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

“**RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, and all other applicable provisions of the Act (including any statutory modification or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Articles of Association of the Company, the extant Guidelines and Circulars on appointment of Directors issued by Reserve Bank of India and Rules / Regulations / Guidelines, if any, prescribed by the relevant authorities from time to time, on the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Tetsuo Higuchi (DIN: 10265141), who was appointed as an Additional Director in the category of Non-Executive Non-Independent Director effective August 11, 2023, who cease to hold office at the ensuing Annual General Meeting, be and is hereby appointed as a Director in the category of Non-Executive, Non-Independent, Director of the Company, who shall be liable for retirement by rotation and in respect of whom the Company has received a notice under provisions of Section 160 of the Act, proposing his candidature for the office of the Director.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or any other person(s) authorized by the Board of Directors be and is hereby authorized to do such acts, deeds and things, take all such steps and actions and give such directions, as it may in its absolute discretion, deem appropriate.”

5. Re-appointment of Mr. V Prakash (DIN: 00102091) as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Articles of Association of the Company, the extant Guidelines and Circulars on appointment of Directors issued by Reserve Bank of India and Rules /

Regulations / Guidelines, if any, prescribed by the relevant authorities from time to time, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the consent of the Shareholders of the Company be and is hereby accorded to re-appoint Mr. V Prakash (DIN: 00102091), as an Independent Director of the Company, not liable to retire by rotation, for a second term of two years effective from November 15, 2023, and shall hold office up to November 14, 2025, and in respect of whom the Company has received a notice under provisions of Section 160 of the Act, proposing his candidature for the office of the Director.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company or any other person(s) authorized by the Board of Directors, be and is hereby authorized to do such acts, deeds and things, take all such steps and actions and give such directions, as it may in its absolute discretion, deem appropriate.”

6. Change in Borrowing limit.

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

“RESOLVED THAT in supersession of the Special resolution passed by the Shareholders of the Company at the 9th Annual General Meeting of the Company held on September 24, 2020 and pursuant to the provisions of Section 180(1)(c) of Companies Act, 2013 and rules & regulations made thereunder, if any (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Shareholders be and is hereby accorded, to borrow and raise such sums of money from bank and / or other non-banking financial lenders and / or any corporates and / or other financial institutions and lenders (as permitted under applicable laws) in the form of term loans (short term / long term), cash credit, overdraft facility, working capital demand loan, guarantees etc., External Commercial Borrowings in Indian Rupees or equivalent thereof in any foreign currency (ies), Rupee Denominated Bonds issued outside India / overseas or otherwise or in any foreign currency (ies) as permitted by the applicable laws, by issue of Commercial Paper and by issue of Non-Convertible Debentures in one or more tranches / series, from time to time, on such terms and conditions and with or without security, including commercial terms as may be determined by the Board of Directors on the basis of the prevailing market conditions, and as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital of the Company, free reserves of the Company, that is to say, reserves not set apart for any specific purpose and the securities premium, at a maximum limit as given in below table, subject to the proviso that such borrowings, together with monies already borrowed, shall not at any one time exceed INR 225,000 Mn. (Rupees Two Hundred and Twenty-Five Thousand Million only) excluding all temporary loans obtained by the Company from its bankers in the ordinary course of its business.

Particulars	Borrowings limit (INR Mn.)
Bank/other lenders (Including ECB)	107,000
Commercial Papers	18,000
NCD (Including Masala Bond)	100,000
Total Limit	225,000

RESOLVED FURTHER THAT pursuant to the provisions of Section 180(1)(a) of Companies Act, 2013 and rules & regulations made thereunder, if any (including any statutory modification or re-enactment thereof for the time being in force) the consent of the Shareholders be and is hereby accorded, to the Board of Directors of the Company to create / modify any mortgage, pledge, hypothecation or other charge or encumbrances, from time to time, over the whole or substantially whole of the Company's undertaking including all present and future immovable and movable properties and assets of the Company whosoever situated, in favour of the banks, financial institutions, and other persons, whether in India or overseas, for securing loans, credits, guarantees or other facilities provided or to be provided by them to the Company and/or to secure debentures issued / to be issued by the Company and / or to secure offshore bonds (whether rupee denominated or otherwise) issued / to be issued by the Company whether in India or outside India, which borrowings and facilities and debentures and offshore bonds together with the existing ones shall not exceed an aggregate limit INR 225,000 Mn. (Rupees Two Hundred and Twenty-Five Thousand Million only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

7. Issue of Non - Convertible Debentures.

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

"RESOLVED THAT in supersession of the Special resolution passed by the Shareholders of the Company at the 11th Annual General Meeting of the Company held on September 22, 2022 and subject to the provisions of Section 180 (1) (c), Section 42, Section 71 and all other applicable provisions of the Companies Act, 2013 and rules & regulations made thereunder, 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 Non-Convertible Securities) Regulations, 2021 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 Shareholders of the Company 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), for a period of 1 (one) year from the date hereof, to raise funds for eligible activities as per applicable laws, by way of issuance of Non-Convertible Debentures, secured or unsecured, fixed rate or market / benchmark linked, on private placement basis, in one or more tranches / series, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors, based on the prevailing market condition, provided that the aggregate amount to be raised through the issuance of the Non-Convertible Debentures pursuant to the authority under this resolution along with the Non-Convertible Debentures already issued by the Company remains below the limit of INR 100,000 Mn. (Rupees One Hundred Thousand Million only).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee(s) constituted / to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof), be and is hereby authorized 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.”

8. Alteration of Articles of Association.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) and rules made thereunder, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, read with relevant circulars issued by SEBI from time to time, (including any amendment(s), statutory modification(s), variation(s) and/ or re-enactment(s) to any of the foregoing and other applicable guidelines, directions or laws), consent of the members of the Company be and is hereby accorded to alter the Articles of Association of the Company by incorporating new article - 77A after the existing Article 77, to the Articles of Association of the Company as under:

Appointment of Nominee Director by Debenture Trustee

77A. *Notwithstanding anything contained in these Articles and subject to the applicable laws, the Board shall have power to appoint a Director, nominated by the debenture trustee(s) in terms of the Securities Exchange Board of India (Debenture Trustees) Regulations on occurrence of any event specified under the applicable laws as amended from time to time. Such appointment of a Director shall be in accordance with the provisions of Debenture Trust Deed, provisions of Companies Act, 2013, Reserve Bank of India Regulations, Securities Exchange Board of India Regulations and all other applicable provisions of law.*

RESOLVED FURTHER THAT for giving effect to above resolution, the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any duly authorized Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power conferred by this resolution) be and is hereby authorized 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 including but not limited to execution of all necessary and required agreements, documents, instruments, writings and papers, and settle all difficulties, doubts and questions that may arise in regard to implementation of the aforesaid resolution and to file requisite forms or applications with statutory / regulatory authorities, without being required to seek any further consent or approval of the members of the Company.”

9. Material Related Party Transaction with Toyota Kirloskar Motor Private Limited (TKM)

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 Regulations 2(1)(zb), 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, if any, as amended from time to time, and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and / or permission(s), as may be required and based on the recommendation of the Audit Committee and the Board of Directors, consent of the Shareholders of the Company 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 the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter / continue to enter into Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) with a Toyota Kirloskar Motor Private Limited (TKM), a Group Company and a ‘Related Party’ of the Company on such terms and conditions as may be mutually agreed between TKM and the Company, for an aggregate value of up to INR 1453.1 Million, to be entered during FY 2023-24 for sale of cars, receipt of subvention, leasing of vehicles, purchase of vehicles, Integration Interface maintenance services, offer GFV / buy-back based financing, pay-out for disbursement of retail Loan, availing of shared services, renting of premises, procurement of Lexus vehicle, procurement of Toyota Innova Hycross Car, execution of associate agreement, etc. subject to such contract(s) / arrangement(s) / transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including any material modifications (including modification of individual limits for the transactions within the aggregate overall limit as specified above),

finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, and to take all such actions herein conferred to, without being required to seek further consent or approval of the Shareholders or otherwise to that end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred in favour of any other person / official of the Company as they may deem necessary and also authorized to do all such things acts, deeds, things, matters as they may consider necessary and expedient to give effect to the above resolution including but not limited to filing of necessary statutory documentation with the statutory authorities, as applicable.

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

By order of the Board of Directors
For Toyota Financial Services India Limited

Sd/-

Date: August 28, 2023
Place: Bangalore

R Nithya Prabhu
Company Secretary
ICSI Membership No: F9087

NOTES:

1. A Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), relating to item number 3 to 9 to be transacted at the Meeting is annexed hereto.
2. In compliance with the provisions of the Companies Act & MCA Circulars, the AGM of the Company is being held through VC on Tuesday, September 26, 2023, at 12:00 Noon (IST). The procedure for joining the AGM through VC / OAVM is mentioned in this Notice.
3. The deemed venue for the Twelfth AGM will be the registered office of the Company.
4. As the AGM will be conducted through VC / OAVM, the facility for appointment of Proxy by the Shareholders is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Corporate Shareholders intending to have their authorized representatives to attend and vote at the Meeting are requested to send a scanned copy of authorizing their representative to attend and vote on their behalf at the Meeting to the Company at the following email ID: cs@tfsin.co.in
6. In line with MCA Circulars, the Notice calling the AGM along with the Annual Report for FY 2022-23 and Statement under Section 102 of the Companies Act, 2013, is being sent through electronic mode to those Shareholders whose email addresses are registered with the Company / Depositories. The Shareholders may note that the Notice and the Annual Report will also be available on the website of the Company at www.toyotafinance.co.in
7. The statutory registers maintained under the Act, all documents referred to in the accompanying notice and the statement shall be open for inspection at the Registered Office of the Company during normal business hours from 11 AM to 1 PM (IST) on all working days, up to and including the date of the AGM of the Company and will also be available for inspection at the Meeting.

Instructions for Shareholders for attending the AGM through VC are as under:

1. The Shareholders will be provided with a facility to attend the AGM through two-way VC through the Microsoft Teams system, and they may access the same through the link to be shared by the Company separately before the Meeting. The attendance of the Shareholders attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act. The Notice convening the Twelfth AGM will be uploaded on the website of the Company at www.toyotafinance.co.in
2. Shareholders may join the Meeting through Laptops, Smartphones, Tablets and iPads. Further, Shareholders will be required to use the Internet with a good speed to avoid any disturbance during the Meeting.

3. Shareholders are encouraged to submit their questions in advance with respect to the Accounts or the business to be transacted at the AGM. These queries may be submitted from their registered e-mail address, mentioning their name to reach the Company's e-mail address at cs@tfsin.co.in before 1.30 PM (IST) on Thursday, September 21, 2023. The designated email ID for casting vote, if demanded for poll at AGM will be cs@tfsin.co.in.
4. Shareholders who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name at cs@tfsin.co.in before 1.30 PM (IST) on Thursday, September 21, 2023. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
5. Further, Shareholders may join the AGM through VC facility through Microsoft Teams link to be shared separately, by following the instructions provided here. Such facility shall be kept open for the Shareholders 15 minutes before the scheduled time of the commencement of the AGM and would be kept open 15 minutes after the meeting also.
6. Shareholders who need assistance before or during the AGM, can contact IT Service Desk of the Company on +1-800-258-9099 / itservicedesk@tfsin.co.in or Mr. Nithya Prabhu on +91-08 4344 2852 / cs@tfsin.co.in.

By order of the Board of Directors
For Toyota Financial Services India Limited

Sd/-

Date: August 28, 2023
Place: Bangalore

R Nithya Prabhu
Company Secretary
ICSI Membership No: F9087

Annexure to Notice:

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

Item no. 3:

The Board of Directors at their Meeting held on September 2, 2021, had approved appointment of M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) as Statutory Auditor of the Company, to fill the causal vacancy caused due to ineligibility of M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024) to continue as the Statutory Auditor of the Company in terms of the Circular issued by Reserve Bank of India (RBI) vide no. RBI/2021- 22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('RBI Guidelines').

Thereafter, the Shareholders through resolution passed at the tenth AGM held on September 28, 2021, had approved appointment M/s. MSKA & Associates as Statutory Auditor of the Company for a continuous period of three years until the conclusion of the Thirteenth AGM of the Company to be held in year 2024 in terms of the RBI Guidelines. The RBI Guidelines also stipulate that such appointment of Statutory Auditor for a continuous period of three years shall be subject to the Statutory Auditor satisfying the eligibility norms each year, as stipulated therein. Accordingly, the Shareholders through resolution passed at the Eleventh AGM held on September 22, 2022, ratified and approved the continuation of M/s. MSKA & Associates as Statutory Auditors for FY 22-23.

Hence, as a prudent practice, it is now proposed to seek ratification in the ensuing AGM, for continuation of M/s. MSKA & Associates as the Statutory Auditor of the Company, till the conclusion of the thirteenth AGM of the Company to be held in year 2024, at a remuneration to be determined by the Board of Directors or any other person(s) authorized by the Board of Directors or the Audit Committee including fees payable for Limited Review Reports, Regulatory Certificates and Tax Audit but excluding actual travelling and out of pocket expenses incurred in connection with the audit, fees for other non-audit services / certifications, taxes as applicable, during the appointed period. M/s. MSKA & Associates have provided their consent and confirmed their eligibility to continue as Statutory Auditor 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 applicable RBI Guidelines and the same was noted by the Audit Committee and the Board at its meeting held on May 25, 2023.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially, or otherwise, in passing the Resolution at Item No. 3 of the Notice.

The Board and Audit Committee recommend the Resolution at Item No. 3 of the accompanying Notice for approval of the Shareholders as an **Ordinary Resolution**.

Item no. 4:

Mr. Higuchi Tetsuo (DIN: 10265141) was appointed as an Additional Director (Non-Executive) with effect from August 11, 2023, to hold office till the ensuing Annual General Meeting (AGM) of the Company pursuant to provisions of Section 161 of the Companies Act, 2013 (the Act), read with Articles of Association of the Company.

Mr. Higuchi Tetsuo, being eligible, is proposed to be appointed as a Non-Executive, Non-Independent Director of the Company and shall be liable for retirement by rotation.

As per Reserve Bank of India's (RBI) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the Company was required to obtain prior approval of RBI for any change in more than 30 per cent of the Directors, excluding Independent Directors. The Company has received the said approval from the RBI vide letter dated August 9, 2023, in relation to the appointment of Mr. Higuchi Tetsuo as a Non-Executive Director of the Company.

The Company has received a Notice from a Member in writing under Section 160 of the Act proposing his candidature for the office of Director. The Company has also received his consent in writing to act as Director and all other declarations as per applicable laws.

The information in respect of Mr. Higuchi Tetsuo pursuant to the Secretarial Standards on General Meetings and brief profile are provided at Annexure-A to this Notice which forms part of this explanatory statement.

The Nomination and Remuneration Committee and the Board at their respective meetings held on August 11, 2023, has evaluated the fit and proper criteria of Mr. Higuchi Tetsuo and has recommended his appointment as a Non-Executive Director of the Company in the ensuing Annual General Meeting of the Company.

In the opinion of the Board, Mr. Higuchi Tetsuo is a person of integrity and fulfils the conditions specified under the Companies Act read with Rules made thereunder and applicable SEBI Regulations, if any, for his appointment as a Non-Executive Director of the Company.

Except Mr. Higuchi Tetsuo, none of the other Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in passing the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends passing of the Resolution at Item No. 4 of the accompanying Notice for approval of the Shareholders as an **Ordinary Resolution**.

Item no. 5:

On November 14, 2022, the Board of Directors appointed Mr. V Prakash as an Additional Director (Category - Independent) of the Company effective November 14, 2022, for a term of 1 (one) year till November 13, 2023, subject to Shareholders' approval. The Nomination and Remuneration Committee and the Board at their respective meetings held on December 22, 2022, recommended the appointment of Mr. V Prakash as an Independent Director in the Extra-ordinary General Meeting (EGM) of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013. Thereafter, the Shareholders of the Company at the EGM held on December 22, 2022, approved his appointment effective November 14, 2022, for a term of 1 (one) year till November 13, 2023.

In terms of the Companies Act, 2013 and SEBI Regulations, the Nomination and Remuneration Committee and the Board at its respective meetings held on August 11, 2023, have recommended the re-appointment of Mr. V Prakash as an Independent Director of the Company for a second term of 2 (two) years effective from November 14, 2023, till November 13, 2025 pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and applicable SEBI Regulations.

The Company has also received a notice in writing under Section 160 of the Companies Act, 2013, from a Shareholder proposing the candidature of Mr. V Prakash to be appointed as an Independent Director of the Company.

The Company has received a declaration from Mr. V Prakash confirming that he meets the criteria of Independence under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015. Further, the Company has also received his consent to act as a Director in terms of section 152 of the Companies Act, 2013, a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and all other declarations / undertakings as required under applicable laws.

The Company has conducted performance evaluation of the Directors, Board as whole and the Committees etc. as required under the provisions of the Companies Act, 2013, and applicable Securities and Exchange Board of India regulations at their meeting held on February 13, 2023. The result of the performance evaluation of Mr. V Prakash was satisfactory.

In the opinion of the Board, Mr. V Prakash fulfils the conditions specified in the Companies Act, 2013, and rules made thereunder and applicable Securities and Exchange Board of India regulations for re-appointment as an Independent Director of the Company and he is independent of the management. Further, the Board of Directors of the Company is of the opinion that Mr. V Prakash has relevant experience and expertise to be re-appointed as an Independent Director of the Company.

Mr. V Prakash will not be entitled to receive any remuneration apart from sitting fees as approved by the Board of Directors and reimbursement of expenses for participation in the Board / Committee Meetings.

The Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a second term of 2 (two) years with effect from November 14, 2023.

The draft letter of re-appointment of Mr. V Prakash setting out the terms and conditions of re-appointment is being made available for inspection by the Shareholders through electronic mode.

The information in respect of Mr. V Prakash pursuant to the Secretarial Standards on General Meetings and brief profile are provided at Annexure-B to this Notice which forms part of the explanatory statement.

Except Mr. V Prakash and / or his relatives, none of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in passing the Resolution at Item No. 5 of the Notice.

The Board and Nomination and Remuneration Committee recommend the Resolution at Item No. 5 of the accompanying Notice for approval of the Shareholders as a **Special Resolution**.

Item no. 6:

To meet the growing business requirements, the Company is required to increase its borrowing limits from present INR 133,000 Mn. to INR 225,000 Mn. as under:

Borrowings limits	Approved limit (INR Mn.)	Proposed limit (INR Mn.)	Increase in Limits (INR Mn.)
Bank/other lenders (Including ECB)	70,000	107,000	37,000
Commercial Papers	18,000	18,000	No Change
NCD (Including Masala Bond)	45,000	100,000	55,000
Total Limit	133,000	225,000	92,000

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Director of a Company cannot borrow money in excess of the amount of the paid-up capital of the Company and its free reserves without the approval of the Shareholders by way of Special Resolution.

The Shareholders are requested to provide necessary approvals to the Board of the Company to borrow and raise such sums of money from bank and / or other non-banking financial lenders and / or any corporates and / or other financial institutions and lenders (as permitted under applicable laws) in the form of term loans (short term / long term), cash credit, overdraft facility, working capital demand loan etc., External Commercial Borrowings in Indian Rupees or equivalent thereof in any foreign currency (ies), Rupee Denominated Bonds issued outside India / overseas or otherwise or in any foreign currency (ies), Non-Convertible Debentures (including Masala Bond) within the borrowing limits approved by the Shareholders.

The borrowings of the Company are, in general, may be required to be secured by mortgage, pledge, hypothecation or other charge or encumbrances on all or any of the movable and / or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s). Pursuant to the provisions of Section 180(1)(a) of Companies Act, 2013, to create / modify any mortgage, pledge, hypothecation or other charge or encumbrances, from time to time, over the whole or substantially whole of the Company's undertaking including all present and future immovable and movable properties and assets of the Company whosoever situated, in favour lenders for securing loans, credits, guarantees or other facilities provided or to be provided by them to the Company and/or to secure debentures issued / to be issued by the Company and / or to secure offshore bonds (whether rupee denominated or otherwise) issued / to be issued by the Company whether in India or outside India, requires approval of the Shareholders of the Company.

Accordingly, the consent of the Shareholders is being sought for the change in borrowing limits and if required, to secure such borrowings by mortgage, pledge, hypothecation or other charge or encumbrances on any of the movable and / or immovable properties and / or the whole or any part of the undertaking(s) of the Company as set out in the Special Resolution at Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in passing Resolution at Item No. 6 of the accompanying Notice.

The Board recommends the resolution set forth in Item no. 6 for the approval of the Shareholders as a **Special Resolution**.

Item no. 7:

The Company has been raising funds by issuing redeemable Non-Convertible Debentures, secured or unsecured (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 are requested to provide necessary approvals to the Board of the Company for raising funds through the issuance of Debt Securities for a period of 1 (one) year, within the borrowing limits approved by the Shareholders as set out in Resolution No. 6. The proceeds of the Issue will be utilized for eligible activities as per

applicable laws and shall not be used for investment in capital markets and real estate or any other restricted purpose specified by the RBI.

The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of Debt Securities by the Company for a period of 1 (one) year from the date on which the Shareholders have provided the approval by way of Special Resolution. All Debt Securities issued by the Company pursuant to such authority granted by the Shareholders shall be priced on the basis of the prevailing market conditions and as may be approved by the Board at such time.

The Shareholders are requested approve the issuance of Debt Securities by the Company for a period of 1 (one) year, up to INR 100,000 Mn. which includes a change in the limit of Debt Securities from INR 45,000 Mn. to INR 100,000 Mn., as set out in Resolution No. 6 above.

The Debt Securities 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.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in passing the Resolution at Item No. 7 of the Notice.

The Board recommends the Resolution at Item No. 7 of the Notice for approval of the Shareholders as a **Special Resolution**.

Item no. 8:

The Articles of Association ("AoA") is an important document of the Company comprising of rules and regulations that govern the Company's internal affairs. The Securities and Exchange Board of India (SEBI) vide its notification dated February 2, 2023, amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI NCS Regulation"), wherein it mandated that Articles of Association ("AoA") of an issuer of debt securities should contain a clause authorising the Board of Directors of such issuer company to appoint a person nominated by the debenture trustee(s) in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a Director on its Board. Further, in case AoA of issuer companies whose debt securities are already listed on the date of SEBI Notification does not contain a provision for appointing a Nominee Director by Debenture Trustee then such issuer companies should amend their AoA on or before September 30, 2023.

The Shareholders are requested to note that the Company has been issuing debt securities under SEBI NCS Regulations and such debt securities are listed in National Stock Exchange (NSE). Further, the existing AoA of the Company does not contain any provisions with respect to appointment of Nominee Director by the Debenture Trustee in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

To comply with the above-mentioned requirements, it is proposed to insert new clause with respect to the appointment of Nominee Director in the AoA.

Pursuant to section 14 of the Companies Act, 2013, the said alteration can be affected only with the approval of the Shareholders by passing a Special Resolution.

Accordingly, the consent of the Shareholders is being sought for alteration of the AoA of the Company by inserting the new article 77A.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in passing the Resolution at Item No. 8 of the Notice.

The Board recommends the resolution set forth in Item no. 8 for the approval of the Shareholders as a **Special Resolution**.

Item no. 9:

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), inter alia, states that effective from April 1, 2022, all Material Related Party Transactions ('RPT') shall require prior approval of the Shareholders, even if such transaction(s) are in the ordinary course of business and at an arm's length basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 crore or 10% of the annual turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Toyota Kirloskar Motor Private Limited (TKM) is an Indian subsidiary of Toyota Motor Corporation, Japan and is one of the leading automobile manufacturers in India. TKM is a related party of the Company in terms of SEBI Listing Regulations and Companies Act. As part of business operations, the Company enters into various transactions with TKM with the approval of the Audit Committee and the Board. The transactions with TKM for FY 23-24 are expected to cross the materiality threshold of 10% of the annual turnover of the Company as per the last audited financial statements and hence in view of the same Resolution at item No. 10 is proposed for approval by the Shareholders. The Audit Committee and the Board, after reviewing all necessary information, has granted its approval for entering into the transactions with TKM during FY 2023-24 for an aggregate value of up to INR 1453.1 Million, for sale of cars, receipt of subvention, leasing of vehicles, purchase of vehicles, Integration Interface maintenance services, offer GFV / buy-back based financing, pay-out for disbursement of retail Loan, availing of shared services, renting of premises, procurement of Lexus vehicle, procurement of Toyota Innova Hycross Car and execution of associate agreement. The Audit Committee has noted that the said transaction(s) are at an arm's length basis and are in the ordinary course of business of the Company. The details of the proposed transactions with TKM including the Information pursuant to the SEBI Listing Regulations are provided at Annexure-C to this notice and forms part of the explanatory statement.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in the passing of the Resolution at Item No. 9 of the Notice.

The Board recommends the Resolution set forth in Item no. 9 for the approval of the Shareholders as an **Ordinary Resolution**.

By order of the Board of Directors
For Toyota Financial Services India Limited

Sd/-

Date: August 28, 2023
Place: Bangalore

R Nithya Prabhu
Company Secretary
ICSI Membership No: F9087

Annexure-A

Details of Mr. Higuchi Tetsuo, Director seeking appointment at the twelfth AGM to be held on September 26, 2023:

Name of the Director	Mr. Higuchi Tetsuo
Date of Birth	January 21, 1972
Age	51 years 6 months
Date of First appointment on the Board	August 11, 2023
Relationship with Directors and Key Managerial Personnel	Nil
Expertise in specific functional area	About 28+ years of experience in Banking and Finance Industry
Qualification(s)	Master of Business Administration, Hitotsubashi University. Bachelor of Law, Niigata University.
Number of Meetings of the Board attended during the year	Mr. Tetsuo Higuchi has attended 1 (one) Board Meeting held during his tenure as an Additional Director.
Board Membership of other Companies	Nil
Chairmanships / Memberships of the Committees of other public limited companies	Nil
Number of equity shares held in the Company	1 (Beneficial owner of the equity share is Toyota Financial Services Corporation, Japan)

Brief profile Mr. Mr. Higuchi Tetsuo:

Mr. Higuchi Tetsuo has a bachelor's degree in law and has also completed Master of Business Administration. He has 28+ years of experience in the banking and financial sector industry. He was associated with Mizuho Bank from 1995 to 2006. He joined Toyota group in the year 2006 as a manager. He is currently designated as a Deputy Chief Executive Officer of Toyota Motor Asia Pacific Pte Ltd., Director of Toyota Financial Services Philippines Corporation, Toyota Capital Malaysia Sdn. Bhd., Toyota Leasing (Thailand) Co., Ltd and Toyota Financial Services Korea Co., Ltd.

ANNEXURE-B

Details of Mr. V Prakash, Director seeking re-appointment at the twelfth AGM to be held on September 26, 2023:

Name of the Director	Mr. V. Prakash
Date of Birth	June 18, 1962
Age	61 Years 1 Months
Date of First appointment on the Board	November 14, 2022
Relationship with Directors and Key Managerial Personnel	Nil
Expertise in specific functional area	He has more than 30 years of insightful experience and expertise in the banking sector. He was associated with various banks such as United Amara Bank; Lakshmi Villas Bank; Standard Chartered Bank, ICICI Bank etc.
Qualification(s)	Mr. V. Prakash has done M.Sc. in Mathematics from Mumbai University.
Number of Meetings of the Board attended during the year	Mr. V Prakash has attended 4 (four) out of 4 (four) Board Meetings held during his tenure.
Board Membership of other Companies	Nil
Chairmanships / Memberships of the Committees of other public limited companies	Nil
Number of equity shares held in the Company	Nil

Brief profile Mr. V Prakash:

Mr. V. Prakash has done M.Sc. in Mathematics from Mumbai University. He has about 30 years of insightful experience and expertise in the banking sector. During his tenure at ICICI Bank, he was nominated as Director on the Board of several assisted companies both listed and unlisted. At ICICI Bank he has also served as a General Manager & Head of South India for wholesale banking. Moreover, he was associated with various other banks such as United Amara Bank, Yangon, Myanmar as a Deputy CEO; Lakshmi Villas Bank as an Executive Director; Standard Chartered Bank as a Director & Head of Mid Corporates Business for South India. Further he has considerable experience of working in State Bank of India. He has also served as a Retainer with Boutique Investment Banks in India as a “Deal Originator” in the Mid Corporate Segment, originating and executing Mergers & Acquisition transactions. He has acted as advisor to a Risk Analytics Company offering Risk Management Solutions to the Banking Industry. He was also involved in designing Course content for training of Wholesale Banking Relationship Managers.

ANNEXURE-C

Details of proposed transactions with Toyota Kirloskar Motor Private Limited (TKM) for FY 23-24, are as follows:

S No.	Particulars	Information																										
1	Name of Related Party	Toyota Kirloskar Motor Private Limited																										
2	Nature of relationship	Fellow Subsidiary (Group Company) – Subsidiary of step-up holding Company (Toyota Motor Corporation, Japan)																										
3	The nature, duration of the contract and particulars of the contract or arrangement;	<p>Nature of Transactions: Sale of cars, receipt of subvention, leasing of vehicles, purchase of vehicles, Integration Interface maintenance services, offer GFV / buy-back based financing, pay-out for disbursement of retail Loan, availing of shared services, renting of premises, procurement of Lexus vehicle, procurement of Toyota Innova Hycross Car and execution of associate agreement.</p> <p>Duration of Transactions: FY 23-24.</p>																										
4	Whether in Ordinary Course of Business	Yes.																										
5	Whether at Arm’s Length basis	Yes.																										
6	Monetary Value / Total Amount involved	<p>Aggregate value of transactions with TKM up to INR 1453.1 Million for FY 23-24 for the following transactions: -</p> <table><thead><tr><th>Related Party Transactions FY 23-24</th><th>Limit in INR Million *</th></tr></thead><tbody><tr><td>Sale of cars to TKM.</td><td>70.0</td></tr><tr><td>Receipt of subvention.</td><td>90.0</td></tr><tr><td>Leasing of vehicles to TKM for use by their employees.</td><td>60.0</td></tr><tr><td>Purchase of Vehicles.</td><td>1,200.4</td></tr><tr><td>Integration Interface maintenance services with regards to wholesale funding business.</td><td>0.2</td></tr><tr><td>Offer GFV / Buy-back based financing to the customers of Toyota cars and Lexus cars.</td><td>9.5</td></tr><tr><td>Pay-out for disbursement of Retail Loan.</td><td>3.5</td></tr><tr><td>Availing of shared services.</td><td>0.8</td></tr><tr><td>Renting of Premises for Alternate Space / Office as per “Business Continuity Management Plan”.</td><td>0.5</td></tr><tr><td>Procurement of Lexus Vehicle.</td><td>15.0</td></tr><tr><td>Procurement of Toyota Innova Hycross Car.</td><td>3.3</td></tr><tr><td>Execution of Associate Agreement with TKM.</td><td>0.0</td></tr></tbody></table>	Related Party Transactions FY 23-24	Limit in INR Million *	Sale of cars to TKM.	70.0	Receipt of subvention.	90.0	Leasing of vehicles to TKM for use by their employees.	60.0	Purchase of Vehicles.	1,200.4	Integration Interface maintenance services with regards to wholesale funding business.	0.2	Offer GFV / Buy-back based financing to the customers of Toyota cars and Lexus cars.	9.5	Pay-out for disbursement of Retail Loan.	3.5	Availing of shared services.	0.8	Renting of Premises for Alternate Space / Office as per “Business Continuity Management Plan”.	0.5	Procurement of Lexus Vehicle.	15.0	Procurement of Toyota Innova Hycross Car.	3.3	Execution of Associate Agreement with TKM.	0.0
Related Party Transactions FY 23-24	Limit in INR Million *																											
Sale of cars to TKM.	70.0																											
Receipt of subvention.	90.0																											
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Procurement of Toyota Innova Hycross Car.	3.3																											
Execution of Associate Agreement with TKM.	0.0																											

		<p>* Limit is subject to modification by the Board / ACB as per business requirements within the aggregate overall limit of INR 1453.1 Million for FY 23-24</p>
7	Justification as to why the RPT is in the interest of the listed entity;	<p>TKM is an Indian subsidiary of Toyota Motor Corporation, Japan and is one of the leading automobile manufacturers in India. TKM is a Group Company of Toyota and the transactions with TKM will be in the best interest of the Company considering business opportunity, synergy, cost effectiveness, ease of business, mutual support, and collaboration. The transactions are in ordinary course of business and at arm's length basis.</p>
8	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	<p>19.71% (Basis turnover of FY 22-23).</p>
9	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary the details to be provided as specified in the regulation	<p>No</p>
10	Where any director is interested in any contract or arrangement with a related party,	<p>None of the Director or Key Managerial Personnel is interested</p>
12	Valuation and other Reports etc.	<p>Nil</p>
13	Any other information that may be relevant	<p>All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013, forming part of this Notice.</p>