



NOTICE OF SECOND EXTRA-ORDINARY GENERAL MEETING OF FY 2023-24 OF TOYOTA FINANCIAL SERVICES INDIA LIMITED

Dear Member(s),

SHORTER NOTICE is hereby given that the Second Extraordinary General Meeting (EGM) of FY 2023-24 of the Members of **Toyota Financial Services India Limited** will be held on Friday, December 22, 2023, at 3:20 PM (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, Bangalore - 560025 (Karnataka, India) to transact the following business:

SPECIAL BUSINESS:

1. Re-appointment of Narayanaswamy Raja (DIN: 06840450) as Managing Director and Chief Executive Officer of the Company:

To consider, review 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 Section 196, 197, 198, 203, Schedule V, other applicable provisions of the Companies Act, 2013, and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Articles of Association of the Company, the extant Rules / Regulations / Guidelines / Notifications and Circulars prescribed by any relevant authorities including but not limited to Reserve Bank of India / Securities Exchange Board of India, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Narayanaswamy Raja (DIN: 06840450) as the Managing Director and Chief Executive Officer (MD & CEO) of the Company for a period of 1 (One) Month with effect from January 1, 2024 up to January 31, 2024, at the such remuneration having components such as basic pay, HRA, statutory contributions including provident fund contribution, perquisites and other / special allowances as per the Company policy, calculated on a proportionate basis for the appointed period on the basis of a maximum aggregate amount of INR 3,00,00,000/- (Rupees Three Crore only) per annum for the period of his tenure.

RESOLVED FURTHER THAT Mr. Narayanaswamy Raja, MD & CEO be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging, and such other expenses incurred by / for him in connection with meeting business requirements of the Company and in line with the Company policy.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof as authorised in this regard be and is hereby authorised to alter, amend, ratify and vary the terms and conditions of the remuneration structure as may be agreed as deem fit within the overall remuneration.

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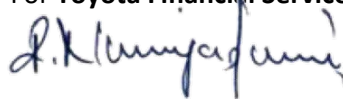
Registered Office: No. 21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore – 560 025
P: +91 80 4344 2800 | F: +91 80 4344 2930 | cs@tfsin.co.in | www.toyotafinance.co.in | CIN: U74900KA2011FLC058752

RESOLVED FURTHER THAT the remuneration payable to Mr. Narayanaswamy Raja, MD & CEO is subject to the condition that:

- a. the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of five percent (5%) of the net profits of the Company as applicable to each of the Managing Director / Whole time Directors of the Company and / or ten percent (10%) of the net profits of the Company for all Managing Director / Whole-time Directors in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V and rules made thereunder including any statutory amendments, modifications or re-enactment thereof, as may be made thereto and for the time being in force; or
- b. if the Remuneration exceeds the limits as prescribed in the provisions of Section 197, 198 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, in case of no profits / inadequate profits.

RESOLVED FURTHER THAT the Board of Directors or Chief Financial Officer or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit.”

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

A handwritten signature in blue ink, appearing to read "R. Nithya Prabhu".

R Nithya Prabhu

Company Secretary

ICSI Membership No: F9087

Date: December 22, 2023

Place: Bangalore

NOTES:

1. A Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), relating to item number 1 to be transacted at the EGM is annexed hereto.
2. In compliance with the provisions of the Act and Ministry of Corporate Affairs (MCA) Circulars, the EGM of the Company is being held through VC on Friday, December 22, 2023, at 3:20 PM (IST). The procedure for joining the EGM through VC / OAVM is mentioned in this Notice.
3. The deemed venue for the EGM will be the registered office of the Company.
4. As the EGM will be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this EGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Corporate Members intending to have their authorized representatives to attend and vote at the EGM are requested to send a scanned copy of authorizing their representative to attend and vote on their behalf at the EGM to the Company at the following email ID: cs@tfsin.co.in.
6. In line with MCA Circulars, the Notice calling the EGM along with the Statement under Section 102 of the Act, is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Members may note that the Notice and Statement under Section 102 of the Act will also be available on the website of the Company at www.toyotafinance.co.in.
7. The statutory registers maintained under the Act and 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 EGM of the Company and will also be available for inspection at the EGM.

Instructions for Members for attending the EGM through VC are as under:

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

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3. Members are encouraged to submit their questions in advance with respect to the business to be transacted at the EGM. 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 3.20 PM (IST) on Friday, December 22, 2023. The designated email ID for casting vote, if demanded for poll at EGM will be cs@tfsin.co.in.
4. Members who would like to express their views or ask questions during the EGM 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 3.20 PM (IST) on Friday, December 22, 2023.
5. Further, Members may join the EGM 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 Members 15 minutes before the scheduled time of the commencement of the EGM and would be kept open 15 minutes after the EGM also.
6. Members who need assistance before or during the EGM, can contact IT Service Desk of the Company on +1-800-258-9099 / itservicedesk@tfsin.co.in or Mr. R Nithya Prabhu on +91-08 4344 2852 / cs@tfsin.co.in.

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

A handwritten signature in blue ink, appearing to read "R. Nithya Prabhu".

R Nithya Prabhu
Company Secretary
ICSI Membership No: F9087

Date: December 22, 2023
Place: Bangalore

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Annexure to Notice: Explanatory Statement pursuant to section 102 of the Companies Act, 2013**Item no. 1:**

As per Section 203 of the Companies Act, 2013, every listed company and every other public company having a paid-up capital of INR 10 Crore, or more is required to have Whole Time Key Managerial Personnel including Managing Director.

As per Section 197 and Schedule V of the Companies Act, 2013, the terms and conditions of such appointment and remuneration payable shall have to be approved by the Board of Directors at a meeting which shall be subject to approval by the Shareholders at the next General Meeting of the Company.

Mr. Narayanaswamy Raja (DIN: 06840450) was initially appointed as Non-Executive Director of the Company and thereafter he was appointed as MD & CEO and Key Managerial Personnel of the Company effective from January 1, 2020, to January 31, 2021, and his tenure was further extended for 2 years effective from February 1, 2021, to January 31, 2023, and for 11 months effective from February 1, 2023, to December 31, 2023. The term of office of Mr. Narayanaswamy Raja as MD & CEO is set to be completed on December 31, 2023.

Mr. Narayanaswamy Raja is not disqualified from being re-appointed as a Director under Section 164 of the Companies Act, 2013, and possesses the relevant expertise and experience and during his earlier tenures as MD & CEO of the Company has demonstrated his professional capability in diverse facets of management. The Company would greatly benefit from the rich and varied experience of Mr. Narayanaswamy Raja. There is no adverse information against him available in the public domain. A brief profile of Mr. Narayanaswamy Raja is shared below:

Mr. Narayanaswamy Raja aged about 60 years, is a B. Tech (Automobile) engineer and MBA from Faculty of Management Studies, New Delhi. He has about 36+ years of experience working in automobile industries in Sales and Marketing. He has been part of Toyota group for about 10+ years. He has played vital role in leading the business of Toyota Kirloskar Motor Private Limited as Deputy Managing Director and Toyota Financial Services India Limited as MD & CEO. His extensive experience in the field of automobiles and financial services would contribute to the business of the Company. He has been serving the Company as MD & CEO since January 01, 2020.

Additional information in respect of Mr. Narayanaswamy Raja pursuant to the Secretarial Standards on General Meetings is provided at Annexure A to this Notice.

Accordingly based on the recommendation of Nomination and Remuneration Committee, the Board has proposed to re-appoint Mr. Narayanaswamy Raja as the MD & CEO of the Company for a period of 1 (One) Month with effect from January 1, 2024, to January 31, 2024 (i.e. till he attains the retirement age in line with the Retirement Policy adopted by the Company), in terms of the applicable provisions of the Companies Act, 2013, on such terms and conditions and remuneration calculated on a proportionate basis for the appointed period (from January 1, 2024, to January 31, 2024) on the

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basis of maximum of INR 3,00,00,000/- (Rupees Three Crore only) per annum which shall include Basic pay, HRA, Perquisites, Other / Special allowances, Employer PF contributions and other contributions and allowances as per the Company Policy.

The remuneration being paid and proposed to be paid is within the limit set down under Section 196/ Section 197 of Companies Act, 2013 and Company has sufficient profit within provisions of the Act. However, the Company taking into account the future period is also obtaining advance approval to cover the situation of insufficiency of the profit based on the proposed remuneration. Hence, the approval sought to be obtained under Section II of Part II of Schedule V to the Companies Act, 2013, is on precautionary basis and just to have authority to Board to grant the remuneration to managerial personnel without seeking any further consent of the members in case of insufficiency of the profit based on criteria covered thereunder.

Statement under Section II of Part II of Schedule V to the Companies Act, 2013:

I. General Information:

| Sl. No. | Particulars | Details | |
|---------|---|---|--------------------------------------|
| a. | Nature of Industry | Non-Banking Financial Company (NBFCs) - Automobile Financing Company. | |
| b. | Date or expected date of commencement of commercial production / operations | June 05, 2012. | |
| c. | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | NA. | |
| d. | Financial performance based on given indicators | 2021-22 INR Million | 2022-23 INR Million |
| | Net worth | 14,881.03 | 19,617.76 |
| | Profit/ (Loss) after tax | 841.01 | 1,239.78 |
| e. | Export performance and net foreign exchange collaboration | Nil. | |
| f. | Foreign investments or collaborations, if any | Toyota Financial Services Corporation, Japan is holding 100% in the Share Capital of the Company. | |

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II. Information about the Appointee:

| Sl. No. | Particulars | Details |
|---------|--|---|
| a. | Background Details | Mr. Narayanaswamy Raja aged about 60 years is a B. Tech (Automobile) engineer and MBA from Faculty of Management Studies, New Delhi. |
| b. | Past Remunerations | INR 19.21 million for FY 22-23. |
| c. | Recognition or Awards | NA. |
| d. | Job Profile and Suitability | He has about 36+ years of experience working in automobile industries in Sales and Marketing. He has been part of Toyota group for about 10+ years and has played vital role in leading the business of Toyota Kirloskar Motor Private Limited as Deputy Managing Director and Toyota Financial Services India Limited as MD & CEO. |
| e. | Remuneration proposed | Calculated on a proportionate basis for the appointed period (from January 1, 2024, to January 31, 2024) on the basis of a maximum aggregate amount of INR 3,00,00,000/- per annum |
| f. | Comparative remuneration profile with respect to industry, size of the company, profile of position and person | The remuneration proposed to be paid to Mr. Narayanaswamy Raja is commensurate with the experience, qualification and responsibilities entrusted to him by the Board and as prevailing in the industry. |
| g. | Pecuniary relationship with the company or relationship with the managerial personnel, if any | Except for receiving remuneration as MD & CEO, Mr. Narayanaswamy Raja has no pecuniary relationship with the Company. He is not related to any other managerial personnel of the Company. |

III. Other Information:

| Sl. No. | Particulars | Details |
|---------|---|--|
| a. | Reasons for loss or inadequate profits | For FY 22-23, the Company has made profits. Further, the Company is expected to earn profit for the current financial year, however probable reasons for any loss or inadequate profit in future could be because of the following: <ul style="list-style-type: none"> - Competitive pricing from Banks. - High Risk Cost due to higher delinquency in the business. - Covid or any other pandemic or any natural calamity. |
| b. | Steps taken or proposed to be taken for improvement | <ul style="list-style-type: none"> - Expansion of existing asset size by increasing business - Lean operations by reduction of costs and expenses. - Expansion of KiNTO business – (full-service leasing). - Automation of processes with higher usage of information technology. |

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| | | |
|----|---|--|
| c. | Expected increase in productivity and profits in measurable terms | <p>The Company's productivity is expected to increase with -</p> <ul style="list-style-type: none"> - Improvement in key process like disbursements, operations etc. - Automation of processes with higher usage of information technology. - Improvement in collection efficiency. <p>However, it is difficult at this stage to quantify the benefits of the measures taken / to be taken by the Company to improve the overall performance.</p> |
|----|---|--|

The Board recommends the Resolution for re-appointment of Mr. Narayanaswamy Raja, MD & CEO, as mentioned in the Notice for your approval as a **Special Resolution**. Except Mr. Narayanaswamy Raja, MD & CEO, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 1.

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



Date: December 22, 2023
Place: Bangalore

R Nithya Prabhu
Company Secretary
ICSI Membership No: F9087

ANNEXURE-A

Details of Mr. Narayanaswamy Raja, seeking re-appointment as Managing Director & CEO of the Company at the 2nd EGM to be held on December 22, 2023:

| | |
|---|---|
| Name of the Director | Mr. Narayanaswamy Raja |
| Date of Birth | January 26, 1963 |
| Age | 60 Years 10 Months |
| Date of First appointment on the Board | January 1, 2020 |
| Relationship with Directors and Key Managerial Personnel | Nil |
| Expertise in specific functional area | Mr. Narayanaswamy Raja has about 36+ years of experience working in automobile industries in Sales and Marketing. He has been part of Toyota group for about 10+ years. He has played vital role in leading the business of Toyota Kirloskar Motor Private Limited as Deputy Managing Director and Toyota Financial Services India Limited as MD & CEO. His extensive experience in the field of automobiles and financial services would contribute to the business of the Company. He has been serving the Company as MD & CEO since January 1, 2020. |
| Qualification(s) | B. Tech engineer from MIT Anna University and MBA from Faculty of Management Studies, New Delhi. |
| Number of Meetings of the Board attended during the year | Mr. Narayanaswamy Raja has attended all the Five (5) Board Meetings held during his previous 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 | One (Beneficial Owner – Toyota Financial Services Corporation, Japan) |

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