



HDB FINANCIAL SERVICES LIMITED
(CIN: U65993GJ2007PLC051028)

(Incorporated on June 4, 2007, in the name of HDB Financial Services Limited, a company within the meaning of the Companies Act, 1956 and registered with the Reserve Bank of India as a non-banking financial company)

Registered Office: Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad – 380 009
Tel: +91 079-30482714

Corporate Office: Ground Floor, Zenith House, Keshavrao Khadye Marg, Opp. Race Course Gate No.6, Mahalaxmi, W Mumbai – 400034

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Contact Person: Mr. Haren Parekh, Chief Financial Officer; e-mail: compliance@hdbfs.com

SHELF DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UPTO 75,000 (SEVENTY FIVE THOUSAND) SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("DEBENTURES" OR "NCDs") OF THE FACE VALUE OF Rs.10,00,000/- (RUPEES TEN LAKH ONLY) EACH FOR CASH AGGREGATING UPTO Rs.7,500,00,00,000/- (RUPEES SEVEN THOUSAND FIVE HUNDRED CRORE ONLY) TO BE ISSUED IN ONE OR MORE TRANCHES (THE "ISSUE")

Note:

This Shelf Disclosure is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by HDB Financial Services Limited (the "Issuer"/the "Company"). This Shelf Disclosure Document is for the exclusive use of the institutions to whom it is addressed and it should not be circulated or distributed to third parties. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person. No document in relation to the Issuer or this Issue of Debentures has been delivered for registration to any authority.

This Shelf Disclosure Document is strictly for a private placement and is only an information brochure intended for private use. Nothing in this Shelf Disclosure Document shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Shelf Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Act. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in relation to any Tranche of this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Shelf Disclosure Document and any Supplemental Disclosure Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of

India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Shelf Disclosure Document. Prospective investors are advised to carefully read the risks associated with the Issue of Debentures. **Specific attention of investors is invited to statement of Risk Factors contained under Section III of this Shelf Disclosure Document.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or investor's decision to purchase the Debentures.

CREDIT RATING

Credit Analysis & Research Limited ("CARE") has assigned a "CARE AAA/Stable" (pronounced "CARE Triple A" with stable outlook) and CRISIL Limited ("CRISIL") has assigned a "CRISIL AAA/Stable" (pronounced "CRISIL Triple A with stable outlook") rating to the captioned Issue. As per CARE & CRISIL's rating letter(s), instruments with this rating are considered to have a high degree of safety regarding timely servicing of financial obligations and such instruments carry very low credit risk. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Shelf Disclosure Document contains all information as required under Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, that this information contained in this Shelf Disclosure Document is true and fair in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Shelf Disclosure Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Debentures to be issued under this Shelf Disclosure Document are proposed to be listed on the wholesale debt market segment of the BSE Ltd. ("BSE"). The BSE has given its 'in-principle' approval to list the Debentures vide its letter dated April 23, 2018.

At the present time, no arranger has been appointed for the Issue or any Tranches/Series to be issued thereunder. The Company reserves the right to appoint an arranger(s) for any Tranche/Series under the Issue and the details of such arranger shall be specified in the Supplemental Disclosure Document relevant to such Tranche/Series.

This Shelf Disclosure Document is dated April 21, 2018

REGISTRAR TO THE ISSUE

Link Intime India Pvt. Ltd.

C 101, 247 Park , L B S Marg,
Vikhroli West, Mumbai 400 083

Tel: +91 22 49186000; Fax: +91 22 49186060

E-mail: ganesh.jadhav@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Jadhav

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001

Tel: +91 22 4080 7000; Fax: +91 22 6631
1776

E-mail: itsl@idbitrustee.com

Website: www.idbitrustee.com

Contact Person: Mr. Ajit Guruji

ISSUE SCHEDULE:

The Issue Opening Date, Closing Date and Deemed Date of Allotment for each Tranche/Series will be informed to the Debenture Trustee separately and shall be incorporated in the Supplemental Disclosure Document.

Each Tranche/Series of Debentures offered pursuant to this Shelf Disclosure Document shall be subject to the terms and conditions pertaining to the Debentures outlined hereunder as modified / supplemented by the terms of the respective Supplemental Disclosure Document(s) and/or the Private Placement Offer Letter(s) filed with the Stock Exchange in relation to such Series/Tranches and other documents in relation to such issuance. The terms and conditions contained in this Shelf Disclosure shall be read in conjunction with the provisions (as may be mutually agreed between the Issuer and respective Debenture Holders from time to time) contained in the respective Supplemental Disclosure Document(s) and/or the Private Placement Offer Letter(s), and in case of any repugnancy, inconsistency or where there is a conflict between the terms and conditions as are stipulated in the respective Supplemental Disclosure Document(s) / Private Placement Offer Letter(s) on one hand, and the terms and conditions in the Shelf Disclosure Document on the other, the provisions contained in the Supplemental Disclosure Document(s)/ Private Placement Offer Letter(s) shall prevail over and override the provisions of this Shelf Disclosure Document for all intents and purposes.

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SECTION – I NOTICE TO INVESTORS AND DISCLAIMERS

This Shelf Disclosure Document (the “**Disclosure Document**” or “**DD**”) read together with any Supplemental Disclosure Document(s)/Private Placement Offer Letter(s) issued pursuant hereto, **is neither a prospectus nor a statement in lieu of prospectus** under the Act. This Disclosure Document has not been submitted to the Securities and Exchange Board of India (“**SEBI**”) for its approval and has been prepared by the Company in conformity with the extant SEBI Debt Listing Regulations. This Issue of NCDs which is to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. This DD does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the NCDs. Neither this DD nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation and a recipient of this DD should not consider such receipt a recommendation to purchase any NCDs. Each potential investor contemplating the purchase of any NCDs should make its own independent investigation of the financial condition and affairs of the Company and its own appraisal of the creditworthiness of the Company as well as the structure of the Issue. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and the suitability of an investment to the investor's particular circumstances. No person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this DD or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

As per the applicable provisions of the Companies Act, it is not necessary for a copy of this Disclosure Document to be filed with or submitted to the SEBI for its review and / or approval. Further, since the Issue is being made on a private placement basis, the provision of Section 26 of the Companies Act, 2013 shall not be applicable and accordingly, a copy of this Disclosure Document has not been filed with the ROC. However, pursuant to the provisions of Section 42 of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the copy of this Shelf DD along with the respective Supplemental Disclosure Document(s) and/or the Private Placement Offer Letter(s) shall be filed with the ROC and SEBI within the stipulated timelines under the Companies Act, 2013.

This DD and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Company. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. **The contents of this DD are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient or made public or its contents disclosed to a third person. No invitation is being made to any person other than the investor to whom this DD has been sent. Any application by a person to whom this DD has not been sent by the Company may be rejected without assigning any reason.**

Invitations, offers and sales of NCDs shall only be made pursuant to this DD and the Supplemental Disclosure Document(s) (“**Supplemental DD**”). You may not and are not authorised to: (1) deliver this DD to any other person; or (2) reproduce this DD in any manner whatsoever. Any distribution or reproduction or copying of this DD in whole or in part or any public announcement or any announcement to third parties regarding the contents of this DD is unauthorised. Failure to comply with this instruction may result in a violation of Applicable Laws of India and/or other jurisdictions. This DD has been prepared by the Company for providing information in connection with the proposed Issue. The Company does not undertake to update this DD to

reflect subsequent events after the date of this DD and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this DD does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the NCDs or the distribution of this DD in any jurisdiction where such action is required. This DD is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this DD comes are required to inform themselves about and to observe any such restrictions. This DD is made available to potential investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

It is the responsibility of allottees of these NCDs to also ensure that they/it will transfer these Debentures in strict accordance with this DD and other Applicable Laws.

1.1 DISCLAIMER CLAUSE OF THE COMPANY

The Company accepts no responsibility for statements made otherwise than in the Shelf Disclosure Document and in any Supplemental Disclosure Document(s) read with the Private Placement Offer Letter(s) and anyone placing reliance on any other source of information would be doing so at their own risk.

The Company has certified that the disclosures made in this DD are adequate and in conformity with SEBI regulations/guidelines and RBI guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue.

1.2 DISCLAIMER CLAUSE OF SEBI

As per the provisions of SEBI (Issue and Listing of Debt securities) Regulations, 2008 as amended, a copy of this DD has not been filed with or submitted to SEBI. It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by SEBI and that this Issue and/or any Series/Tranche issued hereunder is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this DD. Further, the Company undertakes to file this DD read with the Supplemental Disclosure Document within the timeline prescribed under the Act and the rules thereunder.

1.3 DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this DD would be duly filed with BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended. It is to be distinctly understood that submission of this DD to the BSE should not in any way be deemed or construed to mean that this DD has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this DD. BSE does not warrant that the NCDs will be listed or will continue to be listed on BSE nor does BSE take any responsibility for the soundness of the

financial and other conditions of the Company, its promoters, its management or any scheme or project of the Company.

1.4 **DISCLAIMER CLAUSE OF RBI**

The Company has obtained a certificate of registration dated December 31, 2007 bearing registration no. N.01.00477 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934. However, a copy of this DD has not been filed with or submitted to the Reserve Bank of India ("RBI"). It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by RBI. RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements or representations made or opinions expressed by the Issuer and for discharge of liability by the Issuer. By issuing the aforesaid certificate of registration dated December 31, 2007 to the Issuer, RBI neither accepts any responsibility nor guarantee for the payment of any amount due to any investor in respect of the NCDs.

1.5 **DISCLAIMER OF THE TRUSTEE**

The Debenture Trustee, "*ipso facto*" does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by Debenture Holders.

1.6 **DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of these Debentures have been/will be made in India to investors as specified under clause "**Who Can Apply**" in this DD, who have been/shall be specifically approached by the Company. This DD is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. The Debentures are governed by and shall be construed in accordance with the existing Indian laws as applicable in the state of Gujarat. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of the city of Ahmedabad and Mumbai.

1.7 **DISCLAIMER CLAUSE OF THE RATING AGENCIES**

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned facilities or to buy, sell or hold any security. The Rating Agency(ies) has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency(ies) do not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities / instruments are rated by the Rating Agency(ies) have paid a credit rating fee, based on the amount and type of bank facilities / instruments.

1.8 **FORCE MAJEURE**

The Company reserves the right to withdraw the Issue at any time or any Tranche/Series under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company

will refund the application money, if any, collected in respect of that Tranche/Series without assigning any reason.

1.9 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of the Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its Depository Participant. The Issuer will make the Allotment to Investors on the Deemed Date(s) of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

1.10 EACH PERSON RECEIVING THIS DISCLOSURE DOCUMENT ACKNOWLEDGES THAT:

- (a) Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein;
- (b) Such person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision.
- (c) The Issuer does not undertake to update the information in this Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Disclosure Document and/or any Supplemental DD(s) nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof. However, the Company shall in each Supplemental DD highlight the material changes, if any, in the information about the Company contained in this Shelf Disclosure Document.

SECTION – II DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

Company related terms

Term	Description
Auditor	M/s B S R & Co. LLP, the statutory auditors of the Company.
Board of Directors/Board	The board of directors of the Company or any committee thereof.
Company/Issuer	HDB Financial Services Limited.
Director(s)	Director(s) of the Company, as may change from time to time, unless otherwise specified.
Memorandum and Articles	The Memorandum & Articles of Association of the Company, as amended from time to time.
NBFC	Non Banking Financial Company as per Reserve Bank of India Act, 1934, as amended from time to time.
Registered Office	The registered office of the Company located at Radhika, 2 nd Floor, Law Garden Road, Navrangpura, Ahmedabad – 380 009.

Issue related terms

Term	Description
Act	Shall mean provisions of the Companies Act, 1956 and the Companies Act, 2013, which are in effect from time to time.
Allotment/Allot/Allotted	The allotment of the NCDs or Debentures.
AGM	Annual General Meeting.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Application Form	The form used by the recipient of this Disclosure Document, to apply for subscription to the Debentures, which is annexed to this DD and marked as Annexure A.
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act, 1996.
BSE	BSE Limited (earlier known as Bombay Stock Exchange)
Business Day	means any day of the week (excluding non-working Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) or any other day on which banks

Term	Description
	are closed for customer business in Mumbai, India) on which money market is functioning in Mumbai.
CDSL	Central Depository Services (India) Limited
Debenture(s)	75,000 (Seventy Five Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debenture(s) of the face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each for cash aggregating upto Rs.7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only) to be issued in one or more Tranches (and within any Tranche, in one or more Series) pursuant to this Shelf Disclosure Document and the Supplemental Disclosure Document(s).
Debenture Holder	The Debenture holder whose name appears in the register of debenture holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
Debenture Trustee	Trustee for the Debenture Holders, in this case being IDBI Trusteeship Services Limited.
Debenture Agreement	Trustee Agreement executed/to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Debenture Trust Deed to be entered by and between the Company and the Debenture Trustee.
Deed of Hypothecation	Deed to be entered into between the Company and the Debenture Trustee for creation of first and exclusive charge by hypothecation over specific identified Receivables in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Deemed Date of Allotment	The deemed date of allotment of Debentures will be as specified in the relevant Supplemental DD(s) issued for each Tranche/Series of Debentures.
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant/DP	A depository participant as defined under the Depositories Act.
Disclosure Document/ DD/ Shelf Disclosure Document	This Shelf Disclosure Document through which the Issue is being made and which contains the disclosures as per Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.
DP-ID	Depository Participant Identification Number.
DRR	Debenture Redemption Reserve in accordance with the provisions of the Act.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether towards coupon/redemption premium or repayment of the principal amounts due in respect of the Debentures.
ECS	Electronic Clearing System
EGM	Extra Ordinary General Meeting

Term	Description
Equity Shares	Equity shares of the Company of face value of Rs.10/- (Rupees Ten only) each.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Governmental Authority	The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body.
Interest / Coupon Rate	The rate of interest payable, if any, on the Debentures for the period specified in the relevant Supplemental DD issued for each Tranche/Series of the Debentures.
Issue	Private placement of the Debentures.
INR / Rs.	Rupees (Currency of Republic of India)
Investors	Those persons who fall under the category of eligibility to whom this DD along with Supplemental DD may be sent with a view to offering the debentures for sale on private placement basis through this Disclosure Document.
Majority Holders	Debenture In respect of any Tranche/Series, the Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures comprised in that Tranche/Series for the time being. It is however clarified that if a resolution is required to be passed in relation to a matter concerning a particular Tranche/Series only, then the term "Majority Debenture Holder(s)" shall mean the Debenture Holder(s) of that Tranche/Series holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures comprised in that Tranche/Series for the time being outstanding.
Market Lot	The minimum lot size for trading of the Debentures on the Stock Exchange, being 1 (one) Debenture.
Moveable Property	Moveable Property shall mean the specific identified Receivables of the Company provided as security in relation to the Debentures.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NCDs	Secured, Rated, Listed, Redeemable, Non-convertible Debentures to be issued as part of the Issue, on a private placement basis, in one or more Tranches (and within any Tranche, in one or more Series) pursuant to this Shelf Disclosure Document and the relevant Supplemental Memorandum(s) issued for every Tranche/ Series, upto an aggregate amount of Rs. 7,500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crore only).
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NA	Not Applicable

Term	Description
NPA	Non Performing Asset
PAN	Permanent Account Number
Private Placement Offer Letter	Shall mean the offer letter prepared in compliance with Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, which shall be issued with respect to each Tranche issued under the Issue.
Rating Agency(ies)	Credit Analysis & Research Ltd. (CARE) a company incorporated under the provisions of the Act and having its registered office at 4 th floor, Godrej Coliseum, Somaia Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai – 400 022 and CRISIL Limited, a company incorporated under the provisions of the Act and having its registered office at CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400 076.
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
Record Date	Means in relation to any Due Date on which any payments are scheduled to be made by the Company to the Debenture Holders, the day falling at least 15 (Fifteen) calendar days prior to such Due Date.
Receivables	Receivables shall mean all amounts payable to the Company by the obligors including principal, interest, additional interest, overdue charges, premium on prepayment, prepayment proceeds, gross of service tax (if any) arising out of any of loans and advances of the Company.
Redemption Date	With respect to any Tranche/Series shall mean the date on which repayment of principal amount and all other amounts due in respect of the Debentures of that Tranche/Series will be made.
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Linkintime India Pvt. Ltd.
RoC	Registrar of Companies
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Debt Listing Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 vide notification dated October 12, 2012 and from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended/replaced from time to time.
Security	Means the security created or caused to be created by the Company to secure

Term	Description
	its obligations in respect of the Debentures.
Series	Any Series of Debentures (within a Tranche) issued under the Issue pursuant to the issue of a Supplemental Disclosure Document and Private Placement Offer Letter.
Specifically Mortgaged Premises	The Company's immovable property situated at Office no. 319, 3 rd Floor, Heera Panna Commercial Complex, Dr. Yagnik Road, Rajkot - 360001, Gujarat.
Super Majority Debenture Holders	The Debenture Holder(s) of an amount representing not less than 3/4th (Three Fourth) in value of the nominal amount then outstanding of the Debentures under all the Series/Tranche of Debentures under the Issue collectively.
Supplemental Disclosure Document(s) / Supplemental DD	Means the supplemental disclosure document to be issued by the Company broadly in the format provided in Annexure E hereof containing <i>inter alia</i> the issue price, Interest Rate (if any), redemption premium (if any) and other terms and conditions regarding each Tranche/Series of the NCDs issued under the Issue. The Company shall be free to amend the format of Supplemental DD depending upon the terms and conditions of the NCDs being issued in each Tranche/Series.
TDS	Tax Deducted at Source
Tranche	Any tranche of Debentures issued under the Issue pursuant to the issue of a Supplemental DD and Private Placement Offer Letter.
Transaction Documents	The documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out hereinafter.
Stock Exchange	BSE
WDM	Wholesale Debt Market Segment of the BSE
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

SECTION – III RISK FACTORS

The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider all the risk factors stated in this DD and/or the relevant Supplemental Disclosure Document(s) and/or the Private Placement Offer Letter(s) in relation to the Debentures for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represents the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in this Shelf Disclosure Document and in the relevant Supplemental Disclosure Document(s) and/or the Private Placement Offer Letter(s) and reach their own views prior to making any investment decision.

If any one of the following stated risks actually occurs, the Company's business, financial conditions and results of operations could suffer and, therefore, the value of the Company's Debentures could decline and/or the Company's ability to meet its obligations in respect of the Debentures could be affected. More than one risk factor may have simultaneous effect with regard to the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures.

These risks and uncertainties are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business. Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below.

3.1 INCREASING COMPETITION FROM BANKS, FINANCIAL INSTITUTIONS AND OTHER NBFCs

The successful implementation of Company's growth plans depends on its ability to face the competition. The main competitors of the Company are other NBFCs, financial institutions and banks. The Company, being a non-deposit taking NBFC, does not have access to low cost deposits because of which it may become less competitive. Many of its competitors have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Company does and have greater brand recognition and a larger client base. As the Company ventures into offering newer products, it is likely to face additional competition from those who may be better capitalised, have longer operating history and better management. If the Company is unable to manage its business and compete effectively with current or future competitors it might impede its competitive position and profitability.

3.2 CREDIT RISK

Any lending and investment activity by the Company is exposed to credit risk arising from interest / repayment default by borrowers and other counterparties. Being an NBFC, the Company has lent money for various maturities and with varying security to a number of institutional and non-institutional clients.

The assets under management of the Company were Rs. 44468.55 crore as on March 2018. The Company is exposed to the risk of such third parties which owe money, securities or other assets not performing their obligations due to various reasons.

The Company has institutionalised a systematic credit evaluation process monitoring the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure. The Company will also endeavour to undertake a periodic review of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and/or there will be no adverse effect on the Company's financial results and/or operations as a result thereof.

In performing its credit assessment, the Company relies largely on information furnished by or on behalf of its borrowers, including financial information, based on which the Company performs its credit assessment. The Company may also depend on certain representations and undertakings as to the accuracy, correctness and completeness of information, and the verification of the same by agencies to which such functions are outsourced. Any such information if materially misleading may increase the risk of default and could adversely impact the financial condition, financial results and/or operations of the Company.

A substantial portion of the Company's assets under management (excluding inter-corporate deposits) is secured by assets, moveable and immoveable. The value of the security/collateral granted in favour of the Company, as the case may be, may decline due to adverse market and economic conditions (both global and domestic), delays in insolvency, winding up and foreclosure proceedings, defects in title, difficulty in locating moveable assets, inadequate documentation in respect of assets secured and the necessity of obtaining regulatory approvals for the enforcement of the Company's security over the assets comprising its security and the Company may not be able to recover the estimated value of the assets, thus exposing it to potential losses.

Any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could also expose the Company to potential losses. Although the Company regularly reviews its credit exposures, defaults may arise from events or circumstances that are difficult to detect or foresee.

3.3 REPAYMENT OF PRINCIPAL IS SUBJECT TO THE CREDIT RISK OF THE COMPANY

Potential investors should be aware that receipt of principal amount and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Company. Potential investors assume the risk that the Company will not be able to satisfy its obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Company, the payment of sums due on the Debentures may be substantially reduced or delayed.

3.4 NON-PERFORMING ASSETS ("NPA")

If the level of NPAs in the Company's portfolio were to increase, its business would suffer. The Company had net NPAs as a percentage of net loan assets were 0.96% and 0.85% as of March 31, 2018 and March 31, 2017, respectively and its provisioning norms comply with the RBI guidelines / directives. The Company believes that its overall financial profile, capitalization levels and risk management systems, provide

significant risk mitigation. However, the occurrence of NPAs or an increase in the level of NPAs will adversely affect the Company's business, financial results and/or operations.

3.5 INTEREST RATE RISK

The Company's interest income from lending and gains from trading in debt securities are dependent upon interest rates and their movement. Interest rates are highly sensitive to many factors beyond the control of the Company, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. Consequently, there can be no assurance that significant interest rate movements will not have an adverse effect on the Company's financial results and/or operations.

3.6 ACCESS TO CAPITAL MARKETS AND COMMERCIAL BORROWINGS

With the growth of its business, the Company will increasingly rely on funding from the debt capital markets and commercial borrowings. The Company's growth will depend on its continued ability to access funds at competitive rates which in turn will depend on various factors including its ability to maintain its credit ratings. If the Company is unable to access funds at an effective cost that is comparable to or lower than its competitors, the Company may not be able to offer competitive interest rates for its loans or have adequate funds for its investment activities. This may adversely impact its business results and its future financial performance.

3.7 ASSET LIABILITY MISMATCH

The Company is a "systemically important non deposit taking non-banking financial company" (NBFC – ND – SI) and does not have access to public deposits. The Company meets its funding requirements through a resource mix of bank term loans, commercial paper and debenture issuances thus, some portion of the assets has medium term maturities thereby exposing the Company to liquidity risk. Potential funding mismatches can be created if short term funding sources are not available to the Company. This could have a negative impact on the business and future financial performance of the Company.

3.8 OPERATIONAL AND SYSTEM RISK

The Company is faced with operational and system risks, which may arise as a result of various factors, viz., improper authorizations, failure of employees to adhere to approved procedures, inappropriate documentation, failure in maintenance of proper security policies, frauds, inadequate training and employee errors. Further, there can also be a security risk in terms of handling information technology related products such as system failures, information system disruptions, communication systems failure which involves certain risks like data loss, breach of confidentiality and adverse effect on business continuity and network security.

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of Company's businesses, regulatory intervention and/or damage to its reputation. In addition,

the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

Any failure, inadequacy and security breach in our computer systems may adversely affect our business. Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices. The financial, accounting or other data processing systems of the Company may fail to operate adequately or become disabled as a result of events that are beyond its control, including a disruption of electrical or communications services, particularly in the rural areas in which the Company operates.

The Company's operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Its computer systems, software, including software licensed from vendors and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft, for which the Company could potentially be liable.

3.9 ANY INABILITY OF THE COMPANY TO ATTRACT OR RETAIN TALENTED PROFESSIONALS MAY IMPACT ITS BUSINESS OPERATIONS

The business in which the Company operates is very competitive and ability to attract and retain quality talent impacts the successful implementation of growth plans. The Company may lose many business opportunities and business would suffer if such required manpower is not available on time. The inability of the Company to replace manpower in a satisfactory and timely manner may adversely affect its business and future financial performance.

3.10 EMPLOYEE MISCONDUCT

Any kind of employee misconduct may impair the Company's ability to service clients. It is not always possible to deter employee misconduct and the precautions the Company takes to detect and prevent this activity may not be effective in all cases.

3.11 DOWNGRADING IN CREDIT RATING

CARE has assigned "CARE AAA/Stable (Triple A with stable outlook)" rating and CRISIL has assigned "CRISIL AAA/Stable (Triple A with stable outlook)" for long term borrowings upto Rs. 7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only) through NCDs. The Company cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the Debentures and/or the Company's ability to meet its obligations in respect of the Debentures could be affected.

3.12 NO DEBENTURE REDEMPTION RESERVE

As per the provisions of sub-rule 7(b)(i) of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve

funds for the redemption of the Debentures and the Debenture holder(s) may find it difficult to enforce their interests in the event of a default.

3.13 SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of the Debenture Trust Deed and other related documents. The Investors recovery in relation to the Debentures will be subject to (i) the market value of the property offered as security, and (ii) finding a willing buyer for such security at a price sufficient to repay the potential investors' amounts outstanding under the Debentures.

3.14 TAX AND OTHER CONSIDERATIONS

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of an investment into the Debentures.

3.15 COMPANY'S INDEBTEDNESS AND COVENANTS IMPOSED BY ITS FINANCING ARRANGEMENTS MAY RESTRICT ITS ABILITY TO CONDUCT ITS BUSINESS OR OPERATIONS

Company's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be any breach of financial or other covenants of any financing arrangements and such breach continues beyond the stipulated cure period, the Company may be subjected to various consequences as a result of such default including forced repayment of such borrowings. Further, under some of the financing arrangements, the Company is required to inform / obtain prior approval of the lenders / debentures holders / debenture trustee for various actions. This may restrict / delay some of the actions / initiatives of the Company from time to time.

EXTERNAL RISK FACTORS

3.16 THE DEBENTURES MAY BE ILLIQUID

The Company intends to list the Debentures on the WDM segment of the BSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. The current trading of the Company's existing listed non-convertible debentures may not reflect the liquidity of the Debentures being offered through the Issue. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Company may, but is not obliged to, at any time purchase the Debentures at any price in the market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to settlement of the Debentures.

Further, the Company may not be able to issue any further Debentures, in case of any disruptions in the securities market.

3.17 FUTURE LEGAL AND REGULATORY OBSTRUCTIONS

Future government policies and changes in laws and regulations in India (including their interpretation and application to the operations of the Company) and comments, statements or policy changes by any regulator, including but not limited to SEBI or RBI, may adversely affect the Debentures, and restrict the Company's ability to do business in its target markets. The timing and content of any new law or regulation is not within the Company's control and such new law, regulation, comment, statement or policy change could have an adverse effect on its business, financial results and/or operations.

Further, SEBI, the relevant Stock Exchange(s) or other regulatory authorities may require clarifications on this DD, which may cause a delay in the issuance of Debentures or may result in the Debentures being materially affected or even rejected.

3.18 MATERIAL CHANGES IN THE REGULATIONS GOVERNING THE COMPANY

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs including risk weights on assets and/or provisioning norms for NPAs and/or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is classified as a NBFC-ND-SI as defined in the RBI guidelines, which is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

3.19 A SLOWDOWN IN ECONOMIC GROWTH IN INDIA

The Company's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy or a fall in India's GDP may adversely affect its business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general downtrend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

3.20 POLITICAL INSTABILITY OR CHANGES IN THE GOVERNMENT COULD DELAY FURTHER LIBERALIZATION OF THE INDIAN ECONOMY AND ADVERSELY AFFECT ECONOMIC CONDITIONS IN INDIA GENERALLY

If there was to be any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and other

problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create an adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect the Company's business, its future financial performance and its shareholders' funds.

3.21 ACTS OF GOD, TERRORIST ATTACKS, CIVIL UNREST AND OTHER ACTS OF VIOLENCE OR WAR INVOLVING INDIA AND OTHER COUNTRIES COULD ADVERSELY AFFECT THE FINANCIAL MARKETS AND THE COMPANY'S BUSINESS

Acts of God, terrorist attacks and other acts of violence or war may negatively affect the Indian markets and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, adverse social, economic and political events in India could have a negative impact on the Company. Such incidents could also create a perception that investment in Indian companies involves a higher degree of risk which could have an adverse impact on the Company's business.

3.22 THE COMPANY'S BUSINESS MAY BE ADVERSELY IMPACTED BY NATURAL CALAMITIES OR UNFAVOURABLE CLIMATIC CHANGES

India has experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. India has also experienced pandemics, including the outbreak of avian flu and swine flu. The extent and severity of these natural disasters and pandemics determine their impact on the economy and in turn their effect on the financial services sector of which the Company is a part cannot be ascertained or predicted but could adversely affect the Company. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economy which in turn could adversely affect the financial results and/or operations of the Company.

SECTION – IV FINANCIAL STATEMENTS

(Rs in Crores)

Particulars	FY 2017-18 (Audited)	FY 2016-17 (Audited)	FY 2015-16 (Audited)	FY 2014-15 (Audited)	FY 2013-14 (Audited)
Total Debt	34981	25587	19612	15278	11075
of which – Non Current Maturities of	21861	18760	13470	10500	7846
- Long Term Borrowing					
- Short Term Borrowing	3000	2080	910	350	405
- Current Maturities of Long Term Borrowing	10120	4747	5231	4428	2824
Net Fixed Assets	137	131	83	52	39
Non Current Assets	31099	24221	18940	14602	10260
Cash and Cash Equivalents	137	189	135	123	140
Current Investments	400	400	300	425	0
Current Assets	12981	8515	5731	4540	3250
Current Liabilities	3159	2157	1752	1106	829
On balance sheet assets	43573	32292	24410	18898	13387
Off balance sheet assets	896	1985	1497	301	173
Net worth	6202	5363	3562	3125	1629
Total revenue	7062	5715	3302	2527	1688
Net Interest Income	2789	2037	1444	929	796
Profit before tax	1465	1059	818	530	318
Profit after tax	952	699	534	349	209
Dividend declared	Interim Rs 0.90 & Final Rs 0.70 (16%)	Interim Rs 0.90 & Final Rs 0.60 (15%)	Interim Rs 0.60 & Final Rs 0.60 (12%)	Rs 0.70/- (i.e @7%)	Re. 0.50/- (i.e. @5%)
Interest Coverage Ratio [(Cash profits after tax + interest paid) / interest paid]	1.42	1.33	1.34	1.26	1.23

SECTION – V REGULATORY DISCLOSURES

This Shelf Disclosure Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Stock Exchange

- (a) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last three years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories;
- (e) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the designated Stock Exchange, where the debt securities have been listed, within five working days of execution of the same;
- (f) Any other particulars or documents that the recognized stock exchange may call for as it deems fit;
- (g) An undertaking that permission / consent from the prior charge holder for a *pari-passu* charge being created over the Specifically Mortgaged Premises, where applicable, in favor of the Debenture Trustee to the proposed Issue has been obtained.

5.2 Documents Submitted to the Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the Deemed Date of Allotment:

- (a) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last three years' audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications, if any.
- (e) An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in Uniform Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within 2 (two) working days of their specific request.

5.3 Name and Address of the following:

Sr. No.	Particulars	Details
1.	Name of the Issuer	HDB Financial Services Limited
2.	Registered Office of the Issuer	Radhika, 2 nd Floor, Law Garden Road, Navrangpura, Ahmedabad – 380 009
3.	Corporate Office of the Issuer	Ground Floor, Zenith House, Keshavrao Khadye Marg, Opp. Race Course Gate No.6, Mahalaxmi, Mumbai – 400034
4.	Company Secretary and Compliance Officer of the Issuer	Ms. Dipti Khandelwal (Membership No.:A25592) Email: compliance@hdbfs.com
5.	Chief Financial Officer of the Issuer	Mr. Haren Parekh Email: haren.parekh@hdbfs.com
6.	Arrangers, if any, of the instrument	As per relevant Supplemental DD
7.	Trustee of the Issue	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel: +91 22 4080 7000; Fax: +91 22 6631 1776 E-mail: itsl@idbitrustee.com; website: www.idbitrustee.com
8.	Registrar of the Issue	Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel: +91 22 49186000; Fax: +91 22 49186060 E-mail: ganesh.jadhav@linkintime.co.in Website: www.linkintime.co.in
9.	Credit Rating Agency of the Issue	Credit Analysis & Research Ltd. 4th floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai – 400 022 Tel: +91 22 67543456 ; Fax: +91 22 67543457 website: www.careratings.com CRISIL Limited, CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076. Tel: 91 22 3342 3000; Fax: 91 22 3342 3001 website: www.crisil.com
10.	Statutory Auditors of the Issuer	M/s B S R & Co. LLP Chartered Accountants, Lodha Excelus, 1 st Floor, Apollo Mills Compound, N: M. Joshi Marg, Mahalaxmi, Mumbai – 400011 Tel: +91 22 39896000; Fax: +91 22 30902511

Investors can contact the compliance officer in case of any pre-Issue or post-Issue related matters.

5.4 A brief summary of the business / activities of the Issuer and its line of business:**Business Activity:**

Issuer's primary focus is on small borrowers whose credit requirements are under Rs. 8 Crores. It has the following products and services:

The current product portfolio consists of:

Loans - The Company offers a wide range of loan products both in the secured and unsecured categories that fulfils the financial needs of its target segments.

- **Unsecured loans** - The Company offers unsecured loans in the range of Rs.1,00,000/- (Rupees One Lakh only) to Rs. 30,00,000/- (Rupees Thirty Lakhs only). These loans are offered as term loans with a maximum tenure of upto 60 (Sixty) months.
- **Secured loans** - Secured loans are offered to customers to address the larger loan requirements or longer repayment requirements. Secured loans are in the range of Rs.1,00,000/- (Rupees One Lakh only) to Rs. 12,00,00,000 (Rupees Twelve Crore only). These loans are offered as term loans with a maximum tenure of upto 180 (One Hundred and Eighty) months. The loans are offered as fixed rate or floating rate depending on the collateral, structure and tenure of the loan proposed.

The Company provides secured loans against the following collaterals as security for the loans:

- Residential / commercial property;
- Shares, mutual fund units
- Marketable securities such as bonds
- Gold jewellery

Asset Finance – The Company offers loans for purchase of new & used vehicles and equipment that generate income for the borrowers.

- **Commercial Vehicle Loans** - The Company provides loans for purchase of new and used commercial vehicles. The Company also offers refinancing for vehicles.
- **Construction Equipment Loans** - The Company provides loans for purchase of new and used construction equipment.
- **Tractor Loans** - The Company provides loans for purchase of new and used tractors.

Sales Finance - The Company provides loans for purchase of white goods such as washing machines and refrigerators and brown goods such as televisions, audio equipment and similar household appliances.

Fee based products:

- **Insurance services** - The Company is a registered Corporate Insurance Agent having license no. HDF 4684721 from Insurance Regulatory & Development Authority of India (IRDAI). The Company sells life and general insurance products of HDFC Standard Life Insurance Company Limited and HDFC Ergo General Insurance Company Limited respectively. IRDAI has renewed Corporate Agency license of the

Company which is valid for three years from April 01, 2016 to March 31, 2019 vide its license reg. no. CA0095 dated March 22, 2016.

- **BPO Services**

- The Company has a contract with HDFC Bank Limited to run collection call centres and collect overdues from borrowers. The Company has set up 13 call centres across the country with a capacity of over 3500 seats. These centres provide collection services for the entire gamut of retail lending products of HDFC Bank Limited. The Company offers end to end collection services in over 500 locations through its calling and field support teams.
- Post merger of HBL and ADFC with the Company, the Company provides sales support services, back office, operations and processing support to HDFC Bank.

- **Infrastructure**

The Company has 1165 branches in 831 cities in India as on March 31, 2018 thus creating the right distribution network to sell its products and services. The Company has its data centre at Bengaluru and centralised operations in Hyderabad and Chennai.

Issuer's Loan Portfolio

(Rs. in crores)

Particulars	Amount (as on March 31, 2018)
Loan against property	17573
Asset Finance loans	13914
Unsecured Business loans	8944
Other Secured loans	3142
Total	43573

(a) **Overview:**

HDB Financial Services Ltd. was incorporated in Ahmedabad on June 4, 2007, as a non deposit taking Non Banking Financial Company (NBFC) as defined under section 45-1A of RBI Act 1934 and is engaged in the business of financing. The Company achieved total income of Rs. 7061.91 crores and net profit of Rs. 951.74 crores in FY 17-18 with total net worth of Rs. 6202.23 crores as at March 31, 2018. The Company is promoted by HDFC Bank Ltd. which has 95.87% shareholding in the Company as on March 31, 2018. The Company has been rated AAA/Stable by CARE and CRISIL for long term loans from banks. The Company's capital adequacy ratio as on March 31, 2018 was 17.94%, as against minimum regulatory requirement of 15% for non deposit accepting NBFCs. The asset quality of the Company remains healthy with Gross NPAs at 1.58% and Net NPAs at 0.96% as on March 31, 2018. During FY 17-18, the Company has disbursed loans amounting to Rs.25,341 Crores.

The Company caters to the growing needs of India's increasingly affluent middle market. The requirements of medium, small and micro business enterprises that are too small to be serviced by corporate lending institutions are also addressed by the Company through suitable products and services. These segments are typically underserved by the larger commercial banks thus creating a profitable niche for the company to address.

Business Strategy:

HDB's business strategy has been to provide Best in Class Product and services to India's increasingly affluent middle market. To achieve this objective, the company has invested in a "Direct to Customer" distribution model to provide personalized services to its target segment.

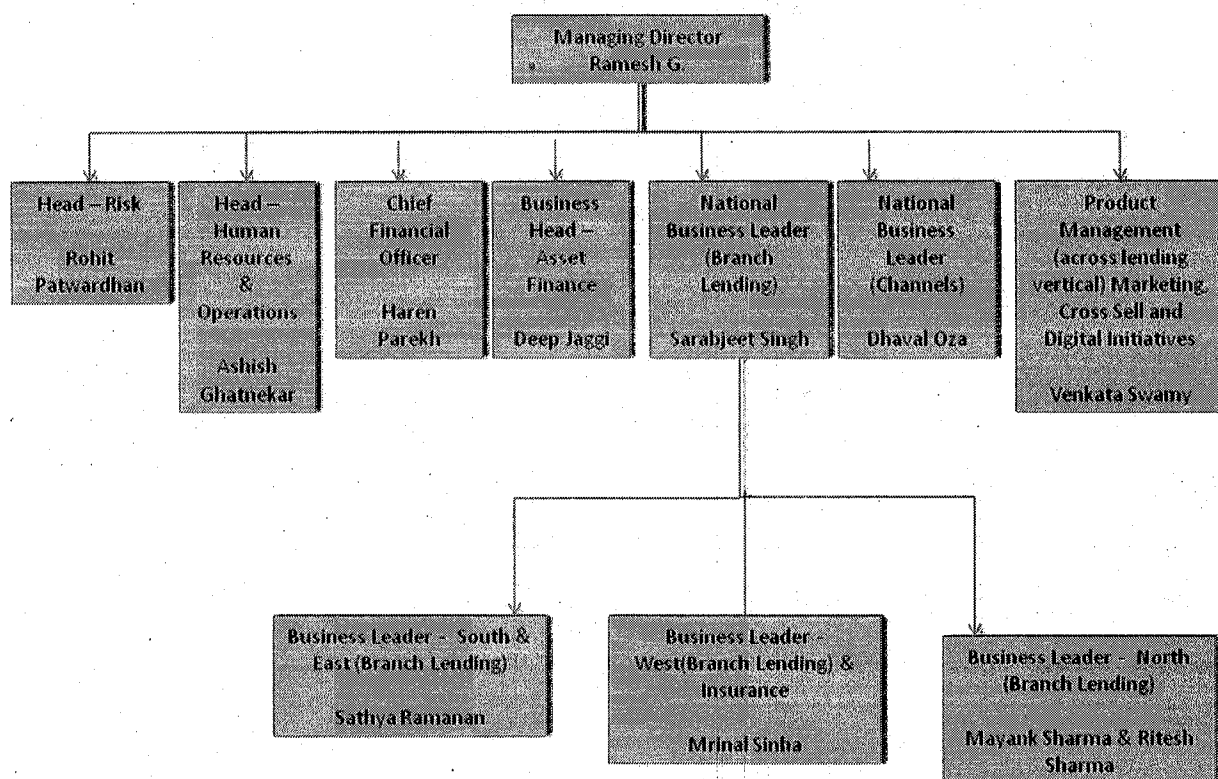
The Company's business strategy emphasizes the following:

- Develop and provide personalized solutions for its target segment that address specific needs of customers.
- Provide personalized customer experience through its branch network to enhance customer relationships.
- Leverage technology to reach out to customers and deliver more products to manage operating costs.
- Focus on asset quality through disciplined Risk Management.
- Identify new product / market opportunities that build economies of scale.
- Expand Distribution to new markets.

The Company's competitive advantage is product innovation and being able to customize a product to the requirements of the customer.

(b) Corporate Structure:

The Company is professionally Board Managed Company headed by Mr. Ramesh G., Managing Director (MD) and Chief Executive Officer (CEO). He reports to the Board. He has direct reportees in each function viz. Mr. Haren Parekh, Chief Financial Officer, Mr. Ashish Ghatnekar Head – HR & Operations, Mr. Rohit Patwardhan, Head – Risk. All the functional heads report to MD. The Company has a qualified and dedicated pool of employees.

Organization Structure - Corporate**(c) Key Operational and Financial Parameters for the last three Audited years (on standalone basis):**

The Key Operational and Financial Parameters for the last three Audited Financial years (on standalone basis) are as under:

(Rs. in crores)

Parameters	FY 2017-18	FY 2016-17	FY 2015-16
Net worth	6202	5363	3562
Total Debt	34981	25587	19612
Non current maturities of long term borrowing	21861	18760	13470
Non current maturities of short term borrowing	3000	2080	910
Current maturities of long term borrowing	10120	4747	5231
Net Fixed Assets	137	131	83
Non Current Assets	31099	24221	18940
Cash and Cash Equivalents	137	189	135
Current Investments	400	400	300
Current Assets	12981	8515	5731
Current Liabilities	3159	2157	1752
Assets under Management	43573	34277	25906

Off Balance Sheet Assets	896	1985	1497
Interest Income	5146	4087	3016
Interest Expense	2357	2050	1572
Provisioning & Write-offs	519	340	194
PAT	952	699	534
Gross NPA (%)	1.58%	1.45%	1.23%
Net NPA (%)	0.96%	0.85%	0.72%
Tier I Capital Adequacy Ratio (%)	13.22%	15.26%	13.44%
Tier II Capital Adequacy Ratio (%)	4.72%	5.53%	5.79%
EPS (Rs.) (Basic)	12.18	9.64	7.64
Book value (Rs.)	79.22	68.73	50.87

Gross Debt: Equity Ratio of the Company

Before the issue of debt securities	[●]
After the issue of debt securities	[●]

(d) Project cost and means of financing, in case of funding new projects:

Not Applicable.

5.5 A brief history of the Issuer since its incorporation giving details of its following activities:**History of the Company**

The Company was promoted by HDFC Bank as non-banking financial company (Non Deposit taking) and the Company continues to be a subsidiary of HDFC Bank which has a shareholding of 95.87% as on March 31, 2018. The key milestones in the history of the Company since incorporation are as follows:

The Company has obtained a certificate of registration dated December 31, 2007 bearing registration no. N. 01.00477 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934.

(a) Details of Share Capital as on last quarter end, i.e. March 31, 2018:

Share Capital	Particulars
Authorised Share Capital	Rs. 10,01,55,00,000 comprising: 1,00,15,50,000 Equity Shares of Rs. 10/- each
Issued, Subscribed and Paid up Share Capital	Rs. 7,82,93,62,560 comprising: 78,29,36,256 Equity Shares of Rs.10/- each

Notes:

Of the above issued, subscribed and paid up share capital 75,05,96,670 equity shares are held by HDFC Bank Ltd., the holding company of the Company.

The paid-up share capital shall remain unchanged after the Issues. The Debentures being non-convertible and to be issued at par, there will be no change in the paid-up capital due to conversion and there will be no change in the balance of the share premium account.

(b) **Changes in its capital structure as on last quarter end i.e. March 31, 2018 for the last five years:**

a) **Change in Authorised Share Capital of the Company as on the last quarter end for the last five years:**

Effective Date	December 01, 2016
Authorised Share Capital (In Rs.)	Rs. 1001,55,00,000/-
Particulars	Authorised capital increased pursuant to the Scheme of Amalgamation

b) **Equity Share Capital History of the Company as on the last quarter end i.e. 31.03.2018 for the last five years:**

The details of equity share capital raised by the Company, for the last five years are as under:

Date of Allotment	No. of Equity Shares	Face Value (Rs)	Form of Consideration (other than cash, etc)	Issue Price (Rs)	Nature of allotment	Cumulative			Re-mark
						No. of Equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs.)	
21/06/12	20000	10	Cash	10	ESOS Vesting	410625600	4106256000	0	-
21/06/12	8000	10	Cash	17.50	ESOS Vesting	410633600	4106336000	2962218500	-
07/12/12	88800	10	Cash	17.50	ESOS Vesting	410722400	4107224000	2962884500	-
07/12/12	43350	10	Cash	25	ESOS Vesting	410765750	4107657500	2963534750	-

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11/07/13	10269 1469	10	Cash	46	Rights Issue	51345 7219	51345721 90	7687342324	-
29/08/13	13950	10	Cash	17.50	ESOS Vesting	51347 1169	51347116 90	7687446949	-
29/08/13	3000	10	Cash	25	ESOS Vesting	51347 4169	51347416 90	7687491949	-
04/12/13	276,05 0	10	Cash	Series 4 – 17.5/- Series 5 – 25/- Series 6 – 31/-	ESOS Exercise	51375 0219	51375021 90	7691636599	-
26/11/14	5,65,8 00	10	Cash	Series 4C – 17.5/- Series 5C – 25/- Series 6A – 31/- Series 6B – 31/- Series 7A – 56	ESOS Exercise	51431 6019	51431601 90	7712243399	-
05/03/15	18515 3857	10	Cash	65	Rights Issue	69946 9876	69946987 60	1789570553 4	
27/08/15	1,41,6 00	10	Cash	Series 4C – 17.5/- Series 5B – 25/- Series 6A – 31/- Series 6B – 31/- Series 7A – 56	ESOS Exercise	69961 1476	69961147 60	1790075373 4	
30/11/15	56095 0	10	Cash	Series 6B – 31/- Series 6C – 31/- Series 7A – 56/- Series 7B – 56/-	ESOS Exercise	70017 2426	70017242 60	179225811 84	
29/09/16	35290 0	10	Cash	Series 5C – 25/- Series 6B – 31/- Series 6C –	ESOS Exercise	70052 5326	70052532 60	179372730 84	-

				31/- Series 7A – 56/- Series 7B – 56/-					
29/11/20 16	90790 0	10	Cash	Series 6C – 31/- Series 7B – 56/- Series 8A – 88/-	ESOS Exercise	70143 3226	70143322 60	18,00,58,3 2,884	
16/12/20 16	75,60, 985	10	Cash		Scheme of amalgam ation	70899 4211	70899421 10	18,00,60,8 2,884	
14/02/20 17	3,18,6 40	10	Cash	Series 6C – 31/- Series 7B – 56/- Series 8A – 88/-	ESOS Exercise	70931 2851	70931285 10	18,03,00,1 5,604	
23/03/20 17	70931 445	10	Cash	155	Rights issue	78024 4296	78024429 60	28,31,50,7 5,129	
28/9/201 7	1200 97600 40786 0	10 10 10	Cash	Series 6C – 31/- Series 7B – 56/- Series 8A – 88/-	ESOS Exercise	78024 5496 78034 3096 78075 0956	78024549 60 78034309 60 78075095 60	283271157 29 283316053 29 283634184 09	
05/12/20 17	32900 10576 00 10948 00	10 10 10	Cash	Series 8A – 88/- Series 8B – 88/- Series 9A – 137/-	ESOS Exercise	 78293 6256	 78293625 60	 285800054 09	

c) **Details of any Acquisition or Amalgamation in the last one year:**

None

d) **Details of any Re-organisation or Reconstruction in the last one year:**

None

5.6 **Details of the shareholding of the Company as on the latest quarter ended March 31, 2018:**(a) **Shareholding pattern of the Company as on March 31, 2018:**

Sr. No.	Particulars	No. of equity shares held	No. of shares held in demat form	Total Shareholding as % of total no. of equity shares
1	HDFC Bank	75,05,96,670	75,05,96,670	95.87%
2	Others	3,23,39,586	3,04,17,524	4.13%

Notes: Details of shares pledged or encumbered by the promoters (if any): None.

(b) **List of Top Ten holders of equity shares of the Company as on the latest quarter ended i.e. March 31, 2018:**

The list of top ten holders of equity shares of the Company as on March 31, 2018 is as under:

Sr. No.	Name of Shareholder	Total Number of Equity Shares	No. of shares in demat form	Shareholding as % of total shares
1.	HDFC BANK LTD	75,05,96,670	75,05,96,670	95.87
2.	HDB EMPLOYEE WELFARE TRUST (THROUGH ITS TRUSTEES)	26,18,699	26,18,699	0.33
3.	ADFC EMPLOYEES WELFARE TRUST (THROUGH ITS TRUSTEES)	19,22,062	19,22,062	0.25
4.	VISTRA ITCL (INDIA) LIMITED	14,81,284	14,81,284	0.19
5.	VINOD G YENNEMADI	8,93,198	8,93,198	0.11
6.	HARISH H ENGINEER	6,53,256	6,53,256	0.08
7.	RAMESH G	4,74,500	4,74,500	0.06
8.	ANKITA PARESH.SUKTHANKAR	4,35,000	4,35,000	0.06
9.	MR ASHISH PARTHASARTHY	4,15,278	4,15,278	0.05
10.	ABHAY AIMA	4,00,076	4,00,076	0.05

5.7 **Following details of the directors of the Company as on date*:**(a) **Details of the current directors of the Company:**

Name, Designation and DIN	Date of birth	Address	Occupation	Director of the Company Since	Details of other directorship
Mr. Aditya Puri, Chairman DIN - 00062650	27.10.1950	1001-1002, Vinayak Aangan, NB Parulekar Marg, Prabhadevi, Mumbai - 400 025	Service	01.05.2016	1.HDFC Bank Limited 2.Samea Board of Master Card 3.Indian Institute of Foreign Trade
Mr. Bhavesh Zaveri, Director, DIN - 01550468	24.12.1965	202, Prabhukunj Co-Operative Housing Society 5 Peddar Road, Mumbai- 400 026	Service	01.05.2016	1.The Clearing Corporation of India 2.Swift India Domestic Services Private Limited 3.Goods & Service Tax Network
Mr. Jimmy Tata, Director DIN- 06888364	13.07.1966	Sea Side, Bhulabhai Desai Road, Mumbai- 400 036	Service	01.05.2016	1.International Asset Reconstruction Company Private Limited
Mr. Ramesh G., Managing Director and Chief Executive Officer, DIN - 05291597	22.09.1969	C -101, Ashok Gardens, Tokersey Jivraj Road, Sewree, Mumbai 400015	Service	01.07.2012	Nil
Mr. Venkatraman Srinivasan, Independent Director DIN - 00246012	09.03.1959	73, Keshav Smruti, 88, Veer Savarkar Marg, Mumbai- 400028	Chartered Accountant	12.03.2015	1. Central U.P. Gas Limited 2. UTI Retirement Solutions Limited
Ms. Smita Affinwalla, Independent Director DIN - 07106628	04.11.1962	7A, A Block, 3rd Floor, Khalakdina Terrace, August Kranti Marg, Mumbai- 400 036	Consultant	12.03.2015	1. Avameh Consultancy Private Limited 2. Illuminos Consultancy Private Limited

* Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any: None of the Directors are appearing in the RBI defaulter list and/or ECGC default list as on date.

(b) **Details of change in directors since last three years:**

Sr. No.	Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
1.	Mr. Anil Jaggia Director DIN - 00317490	23/09/2015	23/12/2011	
2.	Mr. G. Subramanian, Chairman DIN- 00712803	30/04/2016	04/06/2007	
3.	Mr. Kaizad Bharucha, Director DIN- 02490648	30/04/2016	13/01/2009	
4.	Mr. Aditya Puri, Chairman DIN – 00062650	01/05/2016	-	
5.	Mr. Jimmy Tata, Director DIN – 06888364	01/05/2016	-	
6.	Mr. Bhavesh Zaveri, Director DIN - 01550468	01/05/2016	-	

5.8 **Following details regarding the auditors of the Company:**

(a) **Details of the auditor of the Company:**

Name	Address	Auditor since
B S R & Co. LLP Chartered Accountants	Lodha Excelus, 1 st Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011	FY 2013-2014

(b) **Details of change in auditor since last three years:**

None

5.9 Details of Borrowings of the Company, as on the latest quarter end i.e. March 31, 2018:**(a) Details of Secured Loan Facilities as on Mar 31, 2018:**

Lender's name	Type of Facility	Amount Sanctioned (Rs. in Crore)	Principal Amount Outstanding (Rs. in Crore)	No. of remaining instalments	Security
Axis Bank	Term Loan	500.00	500.00	7	Book Debt
Karnataka Bank	Term Loan	450.00	450.00	3	Book Debt
Canara Bank	Term Loan	3,400.00	2,800.00	4	Book Debt
Corporation bank	Term Loan	1,110.00	1,110.00	19	Book Debt
Federal Bank	Term Loan	400.00	400.00	8	Book Debt
HDFC Bank	Term Loan	1,790.91	1,590.91	84	Book Debt
HSBC Bank	Term Loan	140.00	140.00	8	Book Debt
ICICI Bank	Term Loan	1,575.00	975.00	49	Book Debt
Indian Bank	Term Loan	900.00	300.00	7	Book Debt
J&K Bank	Term Loan	382.50	382.50	19	Book Debt
JP Morgan chase	Term Loan	500.00	500.00	2	Book Debt
Punjab National Bank	Term Loan	1,000.00	1,000.00	1	Book Debt
SIDBI	Term Loan	1,200.00	600.00	10	Book Debt
State Bank of India	Term Loan	1,734.52	1,734.52	13	Book Debt
TOTAL		15,082.93	12,482.93		

Note – All installments are residual installment payable for outstanding loan amount.

(b) Details of Unsecured Loan Facilities as on March 31, 2018:

None

(c) **Details of NCDs as on March 31, 2018**

Debenture Series	Tenor (in days)	Coupon (%) p.a.	Amount (Rs. crores)	In Date of Allotment	Redemption Date
2013 Series A/1/28	1826	10.3500	103	08-10-13	08-10-18
Series 2014 A/1/33	1810	9.9700	60	13-01-14	28-12-18
Series 2014 A/1/34	1810	9.9700	97	13-01-14	28-12-18
Series 2014 A/1/37	1824	10.0000	80	17-02-14	15-02-19
Series 2014 A/1/38	1826	9.4900	100	18-06-14	18-06-19
Series 2014 A/1/41	1826	9.5600	150	31-07-14	31-07-19
Series 2015 A/0/54	1157	Zero Coupon	250	16-03-15	16-05-18
Series 2015 A/0/55	1150	8.6600	100	27-04-15	20-06-18
Series 2015 A/1/56	1136	8.6700	110	29-04-15	08-06-18
Series 2015 A/1/57	1158	8.8000	113	26-05-15	27-07-18
Series 2015 A/1/58	1096	8.7700	100	02-06-15	02-06-18
Series 2015 A/1/61	1096	8.8100	110	28-07-15	28-07-18
Series 2015 A/0/62_Option 1	1096	Zero Coupon	50	30-07-15	30-07-18
Series 2015 A/0/62_Option 2	1086	Zero Coupon	42	30-07-15	20-07-18
Series 2015 A/1/63	1157	8.7100	200	20-08-15	20-10-18
Series 2015 A/1/65	1084	8.6500	200	07-10-15	25-09-18
Series 2015 A/1/66	1098	8.5100	200	20-10-15	22-10-18
Series 2015 A/1/67	1095	8.5000	300	30-10-15	29-10-18
Series 2015 A/1/68_Option 1	1130	8.5200	141	23-11-15	27-12-18
Series 2015 A/0/68_Option 2	1113	Zero Coupon	75	23-11-15	10-12-18
Series 2015 A/0/70_Option 1	1102	Zero Coupon	200	11-12-15	17-12-18
Series 2015 A/0/70_Option 2	1215	Zero Coupon	50	11-12-15	09-04-19
Series 2015 A/0/71_Option 1	1029	Zero Coupon	31	29-12-15	23-10-18
Series 2015 A/0/71_Option 2	1171	Zero Coupon	86	29-12-15	14-03-19
Series 2015 A/1/71_Option 3	1093	8.6700	95	29-12-15	26-12-18
Series 2016 A/1/72_Option 1	1127	8.6500	100	12-01-16	12-02-19
Series 2016 A/0/72_Option 2	1183	8.6364	39	12-01-16	09-04-19
Series 2016 A/1/73_Option 1	1124	8.8205	218	01-02-16	01-03-19
Series 2016 A/1/73_Option 2	1086	8.8103	58	01-02-16	22-01-19
Series 2016 A/1/73_Option 3	1149	8.8100	61	01-02-16	26-03-19
Series 2016 B/4/74	1094	8.7200	500	03-03-16	02-03-19
Series 2016 A/1/75	1095	8.9000	175	29-02-16	28-02-19
Series 2016 A/0/76_Option 1	1107	Zero Coupon	133	14-03-16	26-03-19
Series 2016 A/1/76_Option 2	1093	8.8394	110	14-03-16	12-03-19
Series 2016 A/1/77	1125	8.4800	330	13-04-16	13-05-19
Series 2016 A/1/78_Option 1	1136	8.5400	100	02-05-16	12-06-19

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Series 2016 A/1/78_Option 2	1095	8.5500	75	02-05-16	02-05-19
Series 2016 A/1/79	1123	8.6300	202	20-05-16	17-06-19
Series 2016 A/1/80	1125	8.6900	130	03-06-16	03-07-19
Series 2016 A/1/82_Option 1	1368	8.6580	100	14-06-16	13-03-20
Series 2016 A/1/82_Option 2	1186	8.6530	200	14-06-16	13-09-19
Series 2016 A/1/83	973	8.5800	100	08-07-16	08-03-19
Series 2016 A/1/84_Option 1	730	8.3500	175	27-07-16	27-07-18
Series 2016 A/1/84_Option 2	1097	8.4000	175	27-07-16	29-07-19
Series 2016 A/1/85_Option 1	730	8.2700	200	03-08-16	03-08-18
Series 2016 A/0/85_Option 2	1135	Zero Coupon	100	03-08-16	12-09-19
Series 2016 A/1/86	1094	8.3000	200	10-08-16	09-08-19
Series 2016 A/0/87	730	Zero Coupon	200	23-08-16	23-08-18
Series 2016 A/1/88	1278	8.0550	260	01-09-16	02-03-20
Series 2016 A/1/89_Option 1	1097	7.9500	102	15-09-16	17-09-19
Series 2016 A/0/89_Option 2	1187	Zero Coupon	100	15-09-16	16-12-19
Series 2016 A/0/89_Option 3	791	Zero Coupon	195	15-09-16	15-11-18
Series 2016 A/1/90	731	7.8500	270	23-09-16	24-09-18
Series 2016 A/0/91_Option 1	1094	Zero Coupon	200	28-09-16	27-09-19
Series 2016 A/1/91_Option 2	1094	7.9000	100	28-09-16	27-09-19
Series 2016 A/1/92	786	7.6400	175	19-10-16	14-12-18
Series 2016 A/1/93	1093	7.7800	135	27-10-16	25-10-19
Series 2016 A/1/94_Option 1	759	7.9300	200	08-11-16	07-12-18
Series 2016 A/1/94_Option 2	1123	7.9700	300	08-11-16	06-12-19
Series 2016 A/1/95	730	7.5800	250	22-11-16	22-11-18
Series 2016 A/1/96	730	7.4100	200	29-11-16	29-11-18
Series 2016 A/1/97	1128	7.5000	215	01-12-16	03-01-20
Series 2016 A/1/98	729	7.9500	110	29-12-16	28-12-18
Series 2016 A/1/99_Option 1	1105	7.6800	110	17-01-17	27-01-20
Series 2016 A/1/99_Option 2	730	7.6300	125	17-01-17	17-01-19
Series 2016 A/1/99_Option 3	1126	7.6735	100	17-01-17	17-02-20
Series 2017 A/1/100_Option 1	765	7.6800	200	25-01-17	01-03-19
Series 2017 A/0/100_Option 2	1150	Zero Coupon	300	25-01-17	20-03-20
Series 2017 A/1/101_Option 1	546	7.6040	100	31-01-17	31-07-18
Series 2017 A/1/101_Option 2	730	7.6700	150	31-01-17	31-01-19
Series 2017 A/1/101_Option 3	1119	7.7100	200	31-01-17	24-02-20
Series 2017 A/1/102_Option 1	730	7.7500	160	22-02-17	22-02-19
Series 2017 A/1/102_Option 2	1097	7.8200	260	22-02-17	24-02-20
Series 2017 A/1/103	1126	7.7600	135	26-04-17	26-05-20
Series 2017 A/1/104_Option 1	764	7.7900	225	11-05-17	14-06-19
Series 2017 A/1/104_Option 2	1127	7.8300	100	11-05-17	11-06-20
Series 2017 A/0/104_Option 3	1154	Zero Coupon	125	11-05-17	08-07-20
Series 2017 A/1/105	1127	7.8000	100	18-05-17	18-06-20

Series 2017 A/1/106	1127	7.8000	300	29-05-17	29-06-20
Series 2017 A/1/107_Option 1	745	7.6300	150	13-06-17	28-06-19
Series 2017 A/1/107_Option 2	1095	7.7000	200	13-06-17	12-06-20
Series 2017 A/1/108	1096	7.5500	375	19-06-17	19-06-20
Series 2017 A/1/109	1126	7.5200	500	18-07-17	17-08-20
Series 2017 A/1/110	1159	7.4300	400	27-07-17	28-09-20
Series 2017 A/1/111_Option 1	730	7.2800	400	28-08-17	28-08-19
Series 2017 A/1/111_Option 2	521	7.1600	130	28-08-17	31-01-19
Series 2017 A/1/112	1096	7.3000	400	08-09-17	08-09-20
Series 2017 A/0/113	1126	Zero Coupon	400	20-09-17	20-10-20
Series 2017 A/1/114	1127	7.5000	500	18-10-17	18-11-20
Series 2017 A/1/115	730	7.4200	200	31-10-17	31-10-19
Series 2017 A/1/116	1097	7.6300	800	06-12-17	07-12-20
Series 2018 A/1/117	1186	7.9407	145	15-01-18	15-04-21
Series 2018 A/0/118_Option 1	1151	Zero Coupon	373	16-03-18	10-05-21
Series 2018 A/0/118_Option 2	1117	Zero Coupon	299	16-03-18	06-04-21

***Note – All the above-mentioned NCDs are rated AAA by CARE & Crisil and are secured against "Immovable property & receivables from financing activities".**

(d) List of Top Ten Debenture Holders as on March 31, 2018:-

Sr. No.	Name of the Debenture Holder	Amount (Rs. in lakhs)
1	HDFC MUTUAL FUND	1,44,800
2	RELIANCE MUTUAL FUND	1,13,500
3	HDFC BANK LIMITED	11,20,00
4	IDFC MUTUAL FUND	1,06,600
5	ADITYA BIRLA SUN LIFE MUTUAL FUND	1,04,300
6	WIPRO LIMITED	1,02,000
7	LIFE INSURANCE CORPORATION OF INDIA	40,000
8	HINDUSTAN ZINC LIMITED	39,500
9	PUNJAB NATIONAL BANK	38,000
10	NATIONAL PENSION SYSTEM (NPS) TRUST	34,200

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debenture issues) details have been provided above.

e) **Details of Subordinated Bonds outstanding as on March 31, 2018:**

Bond Series	Tenor / Period of Maturity	Coupon (%)	Amount (Rs. In crores)	Date of Allotment	Redemption Date/ Schedule
2012 I/1/1	10 years	10.2	250	09-08-12	09-08-22
2012 I/1/2	10 years	9.7	150	30-11-12	30-11-22
2012 I/1/3	10 years	9.6	200	22-03-13	22-03-23
2013 I/1/4	10 years	10.2	100	18-10-13	17-10-23
2013 I/1/5	10 years	10.05	50	20-12-13	20-12-23
2013 I/1/6	10 years	10.19	80	18-03-14	18-03-24
2014 I/1/7	10 years	9.7	200	20-06-14	20-06-24
2014 I/1/8	10 years	9.55	100	13-11-14	13-11-24
2014 I/1/9	10 years	9.55	200	17-11-14	15-11-24
2016 I/1/10	10 years	8.79	220	22-07-16	22-07-26
2016 I/1/11	10 years	8.05	170	06-12-16	04-12-26
2018 I/1/12	10 years	8.42	150	01-02-18	01-02-28
2018 I/1/13	10 years	8.45	130	21-02-18	21-02-28

*Note – All the above-mentioned Subordinated Bonds are unsecured and are rated 'AAA' by CARE & Crisil

f) **List of Top Ten Subordinated Bondholders as on March 31, 2018**

		(Rs. in lakhs)
Sr. No.	Name of the Subordinate Bondholders	Amount
1	NPS TRUST	33,500
2	POSTAL LIFE INSURANCE FUND	21,000
3	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	20,000
4	INFOSYS LIMITED EMPLOYEES PROVIDENT FUND TRUST	12,200
5	RURAL POSTAL LIFE INSURANCE FUND	9,500
6	SERUM INSTITUTE OF INDIA PRIVATE LIMITED	5,600
7	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	5,000
8	THE NEW INDIA ASSURANCE COMPANY LIMITED	5,000
9	THE UNION PROVIDENT FUND	3,600
10	LARSEN AND TOUBRO OFFICERS AND SUPERVISORY STAFF PROVIDENT FUND	3,410

g) **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, entity, group company, etc.) on behalf of whom it has been issued:**

Not Applicable

h) **Details of Commercial Paper:**

The total Face Value of Commercial Papers Outstanding as on March 31, 2018 and its breakup is as follows:

CP Series	Amount (Rs. In crores)	Rate %	No. of days	Issue Date	Due Date
136	100	7.3500	364	11-05-17	10-05-18
137	100	7.3500	338	24-05-17	27-04-18
138	200	7.3500	364	24-05-17	23-05-18
152	200	7.0100	364	20-09-17	19-09-18
153	300	7.0500	361	29-09-17	25-09-18
156	100	7.1000	364	11-10-17	10-10-18
161	200	7.7500	261	10-01-18	28-09-18
166	100	7.9700	128	14-02-18	22-06-18
167	500	7.9500	90	14-02-18	15-05-18
168	400	7.9400	112	23-02-18	15-06-18
169	400	7.9000	179	12-03-18	07-09-18
170	400	7.9000	364	19-03-18	18-03-19

i) **Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference shares) as on March 31, 2018:**

N.A.

j) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:**

As on March 31, 2018 there was no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities.

k) **Details of any outstanding borrowings taken/ debt securities issued where taken/issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

N.A.

5.10 Details of Promoters of the Company:**(a) Details of Promoter holding in the Company as on March 31, 2018:**

Sr. No.	Name of the Shareholders	Total No of Equity Shares	No of shares in demat form	Total shareholding as % of total shares	No of Shares Pledged	% of Shares pledged with respect to shares owned
1	HDFC Bank Ltd.	75,05,96,670	75,05,96,670	95.87%	Nil	Nil

5.11 Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any:

Balance Sheet			
(Currency : Indian Rupees in Crores)	March 31, 2018	March 31, 2017	March 31, 2016
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	782.94	780.24	700.17
Reserves and surplus	5419.29	4582.66	2861.63
Total (A)	6202.23	5362.9	3561.8
Non-current liabilities			
Long-term borrowings	21860.59	18760.22	13470.45
Other long-term liabilities	145.72	159.74	113.35
Long-term provisions	265.73	189.03	150.15
Total (B)	22272.04	19108.99	13733.95
Current liabilities			
Short-term borrowings	3000.24	2080	910.38
Trade payables	339.93	283.27	204.59
Other current liabilities	12263.94	6092.29	6410.26
Short-term provisions	675.54	528.64	368.09
Total (C)	16279.65	8984.2	7893.35
Grand total (A+B+C)	44753.92	33456.09	25189.07
II. ASSETS			
Non-current assets			
Fixed assets			
i. Tangible assets	129.72	125.79	81.29
ii. Intangible assets	7.30	5.18	1.54
iii. Capital work-in-progress	0.00	0.24	-

Non-current investments	30.71	65.06	48.42
Deferred tax assets	185.67	138.45	110.48
Long-term loans and advances:			
- Receivables under financing activity	30841.37	23967.35	18742.41
Other non-current assets	41.23	50.28	39.08
Total (D)	31236.00	24352.35	19023.22
Current assets			
Current investments	400	400	300
Trade receivables	126.44	115.42	23.5
Cash and cash equivalents	137.03	188.7	135.04
Short-term loans and advances			
- Receivables under financing activity	12731.34	8324.45	5667.19
- Other loans and advances	38.88	14.14	4.6
Other current assets	84.23	61.03	35.52
Total (E)	13517.92	9103.74	6165.85
Grand total (D+E)	44753.92	33456.09	25189.07
Off- Balance Sheet:	896	1985.14	1496.88

	March 31, 2018	March 31, 2017	March 31, 2016
Cash Flow Statement (in INR)			
A. Cash flows from operating activities			
Profit/(Loss) before tax	1464.52	1058.59	817.81
Adjustments for:			
Depreciation and amortisation	45.31	38.62	19.89
Provision and write offs	519.35	339.59	194.24
Provision for compensated absence & gratuity	12.26	14.87	1.75
Discount on commercial paper	256.25	219.76	126.97
(Profit)/loss on sale of asset	0.15	0.14	0.05
Interest Expenses	2092.1	1821.45	1440.07
Interest Income	-5146.05	-4087.08	-3015.99
Gain on sale of current investment (net)	-2.08	-1.24	-2.06
Dividend Income	0	-1.95	-0.93
Operating profit before working capital changes	-758.19	-597.23	-418.2
Changes in working capital:			
(Increase)/decrease in advances	27.57	-77.44	-39.92
(Increase)/decrease in trade receivable	-11.02	-52.28	-9.03
(Increase)/decrease in other assets	-281.15	-244.96	-154.95
Increase/(decrease) in other liabilities	-779.24	-815.94	105.71

and provisions			
Increase/(decrease) in Trade payables	56.67	80.24	152.63
(Increase)/Decrease in Receivables under financing activity (net)	-11280.91	-7882.21	-5420.47
Interest Paid	-1786.53	-1577.82	-1322.8
Interest Received	5147.75	4087.31	3014.33
Dividend Received	0	1.95	0.93
Cash generated from operations	-9665.05	-7078.38	-4091.77
Income tax paid	390	287.23	-255
Net cash generated from operating activities	-9275.05	-6791.14	-4346.77
Increase/(decrease) in Borrowing (Net)			
Net cash flow generated from / (used in) operating activities (A)	-9275.05	-6791.14	-4346.77
B. Cash flows from investing activities			
Purchase of fixed assets	-51.4	-74.29	-50.38
Proceeds from sale of fixed assets	0.15	0.29	
		-15.64	
Purchase of long term investments	-		-39.98
Sale of long term investments	34.35	-	-
Purchase of short term investments	-1985	-1350	-2185
Sale of short term investments	1987.08	1251.24	2310
Net cash used in investing activities (B)	-14.82	-188.4	34.64
C. Cash flows from financing activities			
Proceeds from issue of shares including securities premium	28.73	1111.73	3.39
Proceeds from borrowings	33577	23944	28674
Repayment of borrowings	-24183.13	-17969.1	-24339.81
Interim dividend and dividend distribution tax	-141.15	-127.4	-50.57
Net cash generated from financing activities (C)	9281.45	6959.23	4287.01
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	-8.42	-20.31	-25.12
Cash and cash equivalents at the beginning of the year	70.03	60.79	85.91
Cash and cash equivalents acquired pursuant to Scheme of Amalgamation	-	29.56	-
Cash and cash equivalents at the end of the year	61.61	70.03	60.79

	For the year ended	For the year ended	For the year ended
Profit and Loss Statement (in INR Lakhs)	March 31, 2018	March 31, 2017	March 31, 2016
Revenue from Operations	7059.91	5711.35	3297.77
Other Income	2.08	3.19	4.25
Total Revenue	7,059.91	5714.54	3302.02
Expenses:			
Employee benefits expense	2240.32	1896.65	493.76
Finance costs	2357.12	2049.92	1571.53
Depreciation and amortisation	45.31	38.62	19.89
Other expenses	435.37	331.17	204.79
Provision & write offs	519.35	339.59	194.24
Total expenses	5597.47	4655.95	2484.21
Profit / (Loss) for the period before Tax	1464.52	1058.59	817.81
- Current tax	560	389.28	311.46
- Deferred tax expense/(benefit)	-47.22	-17.36	-29.24
- Prior period taxes	0	2.46	1.18
Profit after tax	951.74	684.21	534.41
Impact of the scheme of Amalgamation relating to financial year 2014-15 and 2015-16		14.56	-
Profit for the year	951.74	698.77	534.41

5.12 Abridged version of Audited Yearly Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any.

*Note: Since HDB Financial Services Ltd. does not have any subsidiary, the standalone and consolidated financial information would be the same.

5.13 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

Save as stated elsewhere in this DD, since the date of the last published audited financial accounts, to the best of the Company's knowledge and belief, no material developments have taken place that will materially affect the performance or prospects of the Company.

5.14 Name of the Debenture Trustee and consents thereof:

The Company has appointed IDBI Trusteeship Services Limited as the Debenture Trustee for the Issue. The address and contact details of the Debenture Trustee are as under:

IDBI Trusteeship Services Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this DD. The consent letter from Debenture Trustee is provided in **Annexure C** of this DD.

5.15 The detailed rating rationale(s) adopted/ credit rating letter issued by the rating agencies shall be disclosed:

Credit Analysis & Research Limited (CARE) has assigned a "CARE AAA/Stable" (pronounced "CARE Triple A with stable outlook") and Crisil Limited has assigned a "CRISIL AAA/Stable" (pronounced "CRISIL Triple A with stable outlook") rating to the captioned Issue.

Copy of the rating rationale dated September 12, 2017, issued by CARE and rationale dated June 16, 2017 issued by Crisil, assigning the credit rating abovementioned are annexed hereto as Annexure B

5.16 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

Not applicable, as there is no guarantee or letter of comfort being provided with the security.

5.17 Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange:

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The in-principle approval of the BSE has been obtained in this regard.

5.18 Other Details:**(a) Debenture Redemption Reserve:**

As per the provisions of sub-rule 7(b)(i) of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from this requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

(b) Issue/instrument specific regulations:

The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act, regulations/guidelines/directions of RBI, SEBI (including the SEBI Debt Listing Regulations) and Stock Exchanges and other Applicable Laws and regulations from time to time. The

Debenture holders, by purchasing the Debentures, agree that the courts and tribunals in the city of Ahmedabad and Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Debentures.

Further, the said Debentures shall be subject to the terms and conditions as contained in the Application Form, Disclosure Document, Supplemental Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement and other Transaction / Security documents.

(c) Application Process:

How to Apply

Each tranche / series of the Issue will open on the 'issue opening date' and close on the 'issue closing date' (both days inclusive) as stated herein below. Potential investors who wish to invest in the Issue are requested to submit an application for the Debentures with all the accompanying documents and the application money at any time starting from the issue opening date and upto the issue closing date.

Applications for the Debentures must be made in the prescribed Application Form as provided by the Company and must be completed in block letters in English by the investors. Application Form must be accompanied by payment details.

In case the payment is made through any electronic mode of payment such as RTGS / NEFT, the funds have to be credited to the Designated Bank Accounts of Indian Clearing Corporation Ltd's (ICCL), the details of which are provided in the Application Form.

It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer.

The Company will not be responsible in any manner for any delayed receipts / non-receipt of RTGS payments or applications lost in mail.

The application form will be made available along with the Supplemental Disclosure Document.

Who can apply

Nothing in this DD shall constitute and/or deem to constitute an offer or an invitation to offer, to be made to the public or any section thereof through this DD and this DD and its contents should not be construed to be a prospectus under the Act. The Issue is a domestic issue and is being made in India only. This DD and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the NCDs. The categories of investors eligible to subscribe to the NCDs in this Issue, when addressed directly, are:

- a. Banks;
- b. Financial Institutions;
- c. Non-Banking Financial Companies;
- d. Companies;
- e. Mutual Funds;
- f. Insurance Companies;

- g. Provident Funds, Gratuity, Superannuation and Pension Funds, subject to their investment guidelines; and
- h. Individuals
- i. Foreign Portfolio Investors (FPIs)
- j. Qualified Foreign Investors (QFIs)
- k. Hindu Undivided Family (HUF)
- l. Any other eligible investor authorized to invest in the Debentures.

All investors are required to check and comply with Applicable Laws including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of NCDs and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company, are eligible to apply for the Debentures. No other person may apply. Hosting of DD on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the NCDs and the same has been hosted only as it is stipulated by the SEBI Debt Listing Regulations. Investors should check their eligibility before making any investment.

The Debentures are and have been placed on a private placement basis and shall not be issued to more than 49 (forty-nine) eligible investors.

Submission of Documents

For the sake of simplicity, we hereby provide the details of documents required to be submitted by various categories of Applicants (who have applied for Allotment of the Debentures) while submitting the Application Form:

Investors should submit the following documents, wherever applicable:

- a. Memorandum and Articles of Association/Documents governing constitution
- b. SEBI registration certificate, if applicable
- c. Resolution authorizing investment
- d. Specimen signatures of authorised persons. Thumb impressions must be attested by an authorized official of a bank or by a Magistrate / Notary Public under his / her official seal.
- e. Certified true copy of PAN card
- f. Regd. Trust Deed in case investor is a Trust
- g. Power of Attorney to custodian
- h. SEBI Registration Certificate in case of Mutual Fund. / IRDA Registration Certificate in case of insurance
- i. Application Form

The list of documents required to be provided by an investor as mentioned above is only indicative and an investor will be required to provide all additional documents / authorizations / information, which may be required by the Company. The Company may, but is not bound to revert to any investor for any additional documents / information and can accept or reject an application as it deems fit, without assigning any reasons.

Submission of completed Application Form

All applications duly completed accompanied by fund transfer instrument / fund transfer instructions from the respective investor's account to the account of the ICCL, shall be submitted at the Corporate Office of the Company.

Applications under Power of Attorney / Relevant Authority

In case of applications made under a power of attorney or by a limited company or a body corporate or registered society or Mutual Fund, trusts etc., the relevant power of attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or bye-laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's office where the application has been submitted failing which the applications are liable to be rejected.

PAN / GIR No:

All applicants should mention their Permanent Account number (PAN) allotted under Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle/Ward/District should be mentioned. In case where neither the PAN nor the GIR number has been allotted, or the applicant is not assessed to Income Tax, the fact of such non allotment should be mentioned in the Application Form. Applications without this will be considered incomplete and are liable to be rejected.

Refund

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (Seven) Business Days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from the applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which Allotments have been made, the Registrar and Transfer Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

Application by Mutual Funds

In case of applications by Mutual Funds registered with SEBI, a separate application must be made in respect of each scheme of the Mutual Fund and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustee/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories

Right to Accept or Reject Applications

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects may be rejected at the sole and absolute discretion of the Company. Any application, which has been rejected, would be intimated by the Company along with the refund warrant. Subject to the aforesaid, in case of over subscription, priority will be given to investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment

Fictitious Applications

Fictitious Applications will be rejected. Attention of applicants is specially drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013

Depository Arrangement

The Company has appointed Link Intime India Pvt. Ltd. as Registrar and Transfer Agents for the Debenture issuance. HDB Financial Services Limited has entered into depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Debentures in Dematerialised mode

The Company will make allotment of NCDs to investors in due course after verification of the application form, the accompanying documents and on realization of the application money. The allotted NCDs will be credited in dematerialized form within 2 (Two) Business Days from the Deemed Date of Allotment. Investors will have to hold the NCDs in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form.

Notwithstanding the foregoing, investors have the option to seek rematerialisation of NCDs (i.e. investors shall have the right to hold the NCDs in physical form) at any time in the future.

Allotment Intimation

The Company has made depository arrangements with NSDL and CDSL for the issue of these Debentures in dematerialised Form. The investors shall hold these Debentures in the dematerialised form and will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL and CDSL (as applicable) from time to time and other Applicable Laws and rules notified in respect thereof.

Investors should mention their NSDL/ CDSL Depository Participant's name, DP-ID and Beneficiary Account Number at the appropriate place in the Application Form. The Company shall take reasonable steps to credit the Beneficiary Account of the Allottee(s), with the NSDL/ CDSL Depository Participant as mentioned in the Application Form, with the number of Debentures allotted. The applicant is responsible for the correctness of its details given in the Application Form vis-à-vis those with its DP. In case the information is incorrect or insufficient, the Company would not be liable for losses, if any.

The Company shall credit the NCDs in the demat account of the investors as per the details furnished in the Application Form.

5.19

A statement containing particulars of the dates of and parties to all material contracts, agreements involving financial obligations of the issuer:

By the very nature of its business, the Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts / agreements / documents involving financial obligations of the Company. However, the contracts / agreements / documents listed below which are or may be deemed to be material (not being contracts entered into in the ordinary course of the business carried on by the Issuer, have been entered into / executed by the Company:

A. Documents material to the Issue

1. Memorandum and Articles of Association of the Company as amended from time to time.
2. Uniform Listing agreement with BSE Limited dated November 18, 2015
3. Resolution of the Board of Directors passed at its meeting held on April 18, 2017 approving, *inter-alia*, the issue of Non-Convertible Debentures aggregating upto Rs. 7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only)
4. Resolution passed by the shareholders of the Company by way of Postal Ballot, the result of which was announced on June 03, 2017, authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs. 50,000 crores (Rupees Fifty Thousand Crore) under Section 180(1)(c) and creation of charge on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013.
5. Resolution passed by the shareholders of the Company at an Annual General Meeting held on June 23, 2017 authorising the Board of Directors to offer, issue and allot secured, listed, rated Redeemable Non-Convertible Debentures (NCDs), in one or more series/tranches, aggregating up to Rs. 7,500 crore (Rupees Seven Thousand Five Hundred Crore only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.
6. Credit Rating Rationale dated September 12, 2017 & June 16, 2017 from CARE & Crisil respectively, assigning the credit rating to the NCDs
7. Tripartite agreement dated July 23, 2012 between the Company, Link Intime India Pvt. Ltd. (Registrar & Transfer Agent) and CDSL
8. Certified true copy of the Tripartite agreement dated July 23, 2012 between the Company, Link Intime India Pvt. Ltd. (Registrar & Transfer Agent) and NSDL
9. Consent letter issued by IDBI Trusteeship Services Limited dated July 10, 2017 to act as the Debenture Trustee to the Issue inclusion of its name in the form and context in which it appears in this Disclosure Document
10. Debenture Trust Deed & Deed of Hypothecation executed with IDBI Trusteeship Services Ltd. dated August 3, 2017 pursuant to which issuances would be made under this Shelf Disclosure Document.

B Material Contracts

11. Collection Services Agreement with HDFC Bank Limited dated November 28, 2011
12. License agreement with HDFC Bank Limited dated January 28, 2014, for right to use HDFC Bank's logo.

Certified true copy of the above documents are available for inspection at the Registered / Corporate Office of the Company until the date of closure of the respective Tranche/Series of the Issue.

The Issue

The Company proposes to issue upto 75,000 (Seventy Five Thousand) secured, rated, redeemable, Non-Convertible Debentures of the face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, for cash aggregating upto Rs.7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only) on a private placement basis in one or more Tranches/Series.

The Company has pursuant to:-

- (i) the approval of its shareholders in terms of the special resolution passed under section 180 (1)(a) and 180 (1)(c) of the Companies Act, 2013, pertaining to borrowing of monies upto Rs.50,000 (Rupees Fifty Thousand crore), by way of Postal Ballot, the result of which was announced on June 03, 2017;
- (ii) the resolution of its Board of Directors passed under section 179(3)(c) of the Companies Act, 2013 dated April 18, 2017, pertaining to powers of the Board to issue debentures; and
- (iii) the special resolution of its shareholders passed on June 23, 2017, pursuant to the provisions of Section 71 read with Section 42 and all other applicable provisions of the Companies Act, 2013, read with rules framed thereunder, pertaining to approval of members on offer of private placement.

approved the issue and allotment of secured, rated, listed redeemable non-convertible debentures of the value aggregating to not more than Rs.7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only). The present issue of Debentures in terms of this Shelf Disclosure Document is within the overall powers of the Board as per the above resolution.

This present private placement of NCDs is being made pursuant to the resolution of the Board of Directors passed at its meeting held on April 18, 2017, which has approved the issue of Non-Convertible Debentures of upto Rs.7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only) under the Debenture Trust Deed dated August 3, 2017.

The following is a summary of the terms of the Issue to the extent that they are applicable to each Tranche/Series. Since the terms for each Tranche/Series may be different, the specific terms of each Tranche/Series of NCDs to be issued under the Issue shall be specified in the relevant Supplemental DD(s) to be issued in respect of that Tranche/Series, which Supplemental DD will also be filed with BSE.

Private Placement of upto 75,000 (Seventy Five Thousand) secured, rated, listed, redeemable, Non-Convertible Debentures ("Debentures" or "NCDs") of the face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each for cash aggregating upto Rs.7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only) to be issued in one or more Tranches/Series:

Security Name	As per the relevant Supplemental DD
Issuer	HDB Financial Services Limited
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph "Who can apply" of this Shelf Disclosure Document.
Listing	<p>The NCDs are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the NCDs to be issued and allotted in terms of this DD vide its letter dated April 23, 2018.</p> <p>In case of delay in listing of the NCDs beyond 20 (Twenty) days from the deemed date of allotment, the Company will pay penal interest, of 1 % (One percent) p.a. over the interest/coupon rate/implicit yield from the expiry of 30 (Thirty) days from the deemed date of allotment till the listing of such NCDs, to the investor.</p>
Rating of the Instrument	Credit Analysis & Research Limited (CARE) has assigned a "CARE AAA/Stable" (pronounced "CARE Triple A with stable outlook") and CRISIL Limited has assigned a "CRISIL AAA/Stable" (pronounced "CRISIL Triple A with stable outlook"), to this long term Non-Convertible Debenture issue programme of upto Rs.7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore Only) of the Company. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Issue Size	The aggregate size of the Issue program is for Rs. 7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only), which Issue shall comprise of one or more Tranches/Series of Debentures.
Option to retain oversubscription (Amount)	As per the relevant Supplemental DD
Objects of the Issue	Please refer to Clause 7.8
Details of the utilization of the Proceeds	Please refer to clause 7.8.
Interest/Coupon Rate	As per the relevant Supplemental DD Also refer Note 1 herein below
Step Up/Step Down Coupon Rate	As per the relevant Supplemental DD
Coupon Payment Frequency	As per the relevant Supplemental DD

Coupon payment dates	As per the relevant Supplemental DD
Coupon Type	As per the relevant Supplemental DD
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	As per the relevant Supplemental DD
Day Count Basis	Actual/ Actual
Interest on Application Money	As per the relevant Supplemental DD
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% (Two percent) p.a. over the applicable coupon rate will be payable by the Company from the date of the occurrence of the default until the default is cured or the debentures are redeemed pursuant to such default, as applicable.
Tenor	As per the relevant Supplemental DD
Redemption Date	As per the relevant Supplemental DD Also refer Notes 3, 5 herein below
Redemption Amount	As per the relevant Supplemental DD
Redemption Premium / Discount	As per the relevant Supplemental DD
Issue Price	As per the relevant Supplemental DD
Discount at which security is issued and the effective yield as a result of such discount.	As per the relevant Supplemental DD
Put Option Date	As per the relevant Supplemental DD
Put Option Price	As per the relevant Supplemental DD
Call Option Date	As per the relevant Supplemental DD
Call Option Price	As per the relevant Supplemental DD
Put Notification Time	As per the relevant Supplemental DD
Call Notification Time	As per the relevant Supplemental DD
Rollover Option	As per the relevant Supplemental DD
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture
Minimum Application and in multiples of ___ Debt securities thereafter	10 (Ten) Debentures and in multiples of 10 (Ten) Debentures thereafter
Issue Timing	Tranche/Issue Opening Date : As per the relevant Supplemental DD Tranche/Issue Closing Date : As per the relevant Supplemental DD Pay-in Date : As per the relevant Supplemental DD Deemed Date of Allotment : As per the relevant Supplemental DD Also refer Note 8 herein below.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the	NEFT / RTGS

Instrument	
Depository(ies)	NSDL / CDSL
Business Day	Any day of the week on which the Money Market is functioning in Mumbai, excluding: i. non-working Saturdays, Sundays ii. Any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Maharashtra iii. any other day on which banks are closed for customer business in Mumbai, India.
Business Convention	Should any of the Due date(s), as defined above or elsewhere in this DD or in any Supplemental DD, fall on a non Business Day, the next Business Day shall be considered as the effective date for the purpose of coupon/interest payment and the previous Business Day shall be considered as the effective date for the purpose of payment of redemption proceeds. However, in case any such payment falls on a holiday, the amount of that payment and the amounts and dates of all future payments shall remain as originally stipulated at the time of issuing the security"
Record Date	15 (Fifteen) days prior to any Due Date
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security) and Ranking of Security.	<p>The NCDs being issued under this Disclosure Document shall be secured through: first and exclusive charge by hypothecation over the specific identified Receivables of the Issuer and first <i>pari passu</i> mortgage over the Specifically Mortgaged Premises or such other security as may be identified by the Company as set out in the Debenture Trust Deed /Security Documents.</p> <p>The Company shall create the security within the timelines specified in the relevant Supplemental DD(s)/security documents. The Company may provide or cause to be provided (without being obliged to) such further security (including over moveable/immoveable property) for securing its obligations in respect of the Debentures or any Tranche(s)/Series thereof as may be decided by the Company without requiring the consent of the Debenture Trustee and/or the Debenture Holders.</p>
Transaction Documents	Disclosure Document, Supplemental Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation, Private Placement Offer Letter and any other document that may be designated by the Debenture Trustee as a Transaction Document
Conditions Precedent to Disbursement	As per the relevant Supplemental DD
Condition Subsequent to Disbursement	As per the relevant Supplemental DD
Events of Default	Please refer Note 6. As further provided if any, read with the relevant Debenture Trust Deed
Provisions related to Cross Default Clause	As per the relevant Debenture Trust Deed
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents

Illustration of Bond Cashflows	To be provided as per the relevant Supplemental DD
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian Law. The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts and tribunals in Ahmedabad and Mumbai.

Note 1. Interest on coupon bearing NCDs:**a. Interest rate**

The Interest Rate may be fixed or floating. The details as to interest for each Tranche/Series shall be specified in the relevant Supplemental DD(s) issued in respect of such Tranche/Series.

Any interest payable on the Debentures may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company.

b. Computation of Interest

Interest for each of the interest periods shall be computed on an actual/actual basis on the principal outstanding on the relevant Tranche/Series of NCDs at the applicable Interest Rate.

c. Payment of Interest

Payment of interest on the NCDs will be made to those of the Debenture Holder(s) whose name(s) appear in the register of Debenture Holder(s) (or to the first holder in case of joint holders) as on the Record Date fixed by the Company for this purpose and/or as per the list provided by the Depository to the Company of the beneficiaries who hold NCDs in dematerialized form on such Record Date, and are eligible to receive interest. The first interest payment due in respect of any Tranche/Series shall be for the period calculated from the Deemed Date of Allotment till the end of the month/quarter/half year/full year /other frequency as per the respective Supplemental DD(s) and the last interest payment due in respect of any Tranche/Series shall be for the period calculated from the preceding interest payment date till the Redemption Date and shall be paid along with the redemption payments towards principal. Other interest payments will be paid at the end of the month/quarter/half year/full year /other frequency as per the respective Supplemental DD. The interest periods applicable in respect of each Tranche/Series shall be specified in the Supplemental DD issued in respect of such Tranche/Series.

Note 2. Interest on Application Money:

Interest on application money will be paid to investors at the Interest Rate / implicit yield from the date of realization of subscription money up to 1 (one) day prior to the Deemed Date of Allotment. Such interest shall be payable within 7 (Seven) Business Days from the Deemed Date of Allotment. This clause will not be applicable where the Deemed Date of Allotment is the same as the pay-in-date. Please also refer to the paragraph on Tax Deduction at Source (TDS) for further details.

Note 3. Redemption:

Unless previously redeemed or purchased and cancelled as specified below, the NCDs of each Tranche/Series shall be redeemed at such price, at the expiry of the tenor and/or at the exercise of put/call option, if any, as mentioned in the respective Supplemental DD.

Note 4. Payment on Redemption:

The Company shall compute the redemption proceeds to be paid to the Debenture Holder(s) of each Tranche/Series based on the respective Supplemental DDs. The Company's liability to the Debenture Holders of any Tranche/Series in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity of that Tranche/Series, in all events save and except for the Debenture Holder's right of redemption. Upon dispatching the payment instrument towards payment of the redemption amount in respect of the NCDs of any Tranche/Series, the liability of the Company in respect of such Tranche/Series shall stand extinguished.

Note 5. Deemed Date of Allotment:

The Deemed Date of Allotment for each Tranche/Series will be mentioned in the respective Supplemental DD issued in respect of such Tranche/Series. All benefits relating to the NCDs will be available to the investors from the respective Deemed Date(s) of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. The Deemed Date of Allotment may be changed (advanced/ postponed) by the Company at its sole and absolute discretion.

Note 6. Events of Default:

The occurrence of any of the following events shall be deemed to be an Event of Default in terms of this DD:

- i. Default is committed in payment of the principal amount of the Debentures on the due date(s) and is not rectified by the Company in 7 (Seven) days;
- ii. Default is committed in payment of any interest on the Debentures on the due date(s) and is not rectified by the Company in 7 (Seven) days;
- iii. Default is committed in the performance or observance of any covenant, condition or provision contained in the Debenture Trust Deed and/or the Financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Debenture Trustee certify that such default is in their opinion incapable of remedy (in which case no notice shall be required);
- iv. Any information given by the Company in the reports and other information furnished by the Company and the warranties given/deemed to have been given by it to the Debenture Trustee is purposefully misleading or incorrect in any material respect;
- v. If, the Specifically Mortgaged Premises have not been kept insured or depreciate in value to such an extent that in the opinion of the Debenture Trustee further security should be given and on advising

the Company to that effect and such security has not been given to the Debenture Trustee to their satisfaction, even after the cure period has elapsed;

- vi. If, without the prior written approval of the Debenture Trustee, the Receivables and/ or Specifically Mortgaged Premises or any part thereof is sold, disposed of, charged, encumbered or alienated or pulled down or demolished (except in accordance with the provisions of the Debenture Trust Deed);
- vii. The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;
- viii. The Company is unable to or has admitted in writing its inability to pay its debts as they mature;
- ix. A Receiver or a liquidator has been appointed or allowed to be appointed for all or any part of the undertaking of the Company;
- x. If, an attachment or distraint has been levied on the Specifically Mortgaged Premises or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company which has not been dismissed or removed within a period of 30 (Thirty) Business Days from the date on which such attachment/dstraint was levied;
- xi. If, any extra-ordinary circumstances have occurred which make it improbable for the Company to fulfil its obligation under these presents and/or the Debentures;
- xii. The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- xiii. If, the Company is unable to pay its debts within the meaning of Section 271 of the Companies Act, 2013 or if the Company is carrying on business at a loss and it appears to the Debenture Trustee that continuation of its business will endanger the security;
- xiv. If, in the reasonable opinion of the Debenture Trustee, the Security of the Debenture holders is in jeopardy.
- xv. If any breach of terms of the relevant Disclosure Document pertaining to any Series/Tranche of Debentures or any breach of the covenants of the Debenture Trust Deed is committed by the Company.
- xvi. Such other Events of Default as set out in the Supplemental DD.

SECTION - VI DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- (A) Name of the bank declaring the entity as a Wilful Defaulter: NIL**
- (B) The year in which the entity is declared as a Wilful Defaulter: NIL**
- (C) Outstanding amount when the entity is declared as a Wilful Defaulter: NIL**
- (D) Name of the entity declared as a Wilful Defaulter: NIL**
- (E) Steps taken, if any, for the removal from the list of wilful defaulters: NIL**
- (F) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL**
- (G) Any other disclosure as specified by the Board: NIL**

SECTION- VII OTHER INFORMATION AND ISSUE PROCEDURE

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Shelf Disclosure Document read with the relevant Supplemental Disclosure Document(s), the Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

7.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and the Applicable Law. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and the Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

Transfer of the Debentures to and from FIIs/ NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines issued by RBI.

7.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/fund transfer/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the relevant Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by NEFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

7.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed IDBI Trusteeship Services Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intend to enter into the Debenture Trust Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do

all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and yield thereon and the Debenture Trustee will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, consistently fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

7.4 Sharing of Information

The Issuer may, at its option, but subject to Applicable Law, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

7.5 Deemed Date of Allotment

All the benefits under the Debentures subscribed to by the Debenture Holders, will accrue to the Investor from the Deemed Date of Allotment provided for in the relevant Supplemental Disclosure Document issued in respect of the relevant Tranche/Series.

7.6 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

7.7 Tax Deduction at Source (TDS):

- (a) Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM segment of BSE, no tax will be deductible at source on the payment/credit of interest/implicit yield on NCDs held by any person resident in India. In the event of rematerialisation of the NCDs, or NCDs held by person resident outside India or a change in Applicable Law governing the taxation of the NCDs, the following provisions shall apply:

- (b) In the event the NCDs are rematerialized and the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by Applicable Law;
- (c) The Company shall within 30 (thirty) days after the due date of payment of any tax or other amount which it is required to pay, deliver to the Debenture Trustee evidence of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

Interest on application money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company.

For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Corporate Office of the Company at least 15 (Fifteen) days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the Application Form.

For detailed tax implications of the investment in NCDs, investors should get in touch with their tax consultant.

7.8 Object of the Issue and utilization of proceeds

The object of the Issue is to augment the long-term resources of the Company and to increase the average maturity period of its borrowings in compliance with the Applicable Laws.

The proceeds of the Issue would be utilised by the Company, *inter-alia*, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, and for the general corporate purposes of the Company in compliance with the Applicable Laws.

7.9 Right of the Company to Purchase, Consolidate, Re-sell and Re-issue NCDs:

(a) Purchase and Resale of NCDs:

The Company may, subject to Applicable Law at any time and from time to time, at its sole and absolute discretion purchase some or all of the NCDs held by the Debenture Holders at any time prior to the specified date(s) of redemption / put / call as specified in the relevant Supplemental DD. Such buy-back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company. The NCDs so purchased may, at the option of the Company, be cancelled, consolidated, held or resold in accordance with the provisions of the Applicable Law.

(b) Reissue of Debentures:

The Company shall have a right to repurchase the said Debentures or any of the Series of the Debentures and cancel or re-issue them from time to time in accordance with the provisions of the Act and Applicable Law. Upon such re-issue the person entitled to the Debentures shall have and shall be deemed always to have had, the same rights and priorities as if the Debentures had never been redeemed.

Where the Company has repurchased / redeemed any such NCDs, subject to the provisions the Companies Act, 2013 and other applicable legal provisions, the Company shall have and shall be deemed always to have had the right to keep such NCDs alive for the purpose of reissue and in exercising such right, the Company shall have and shall be deemed always to have had the power to reissue such NCDs either by reissuing the same NCDs or by issuing other NCDs in their place in either case, at such a price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

7.10 Modification of Rights:

The Debenture Trustee and the Issuer will agree to make any modifications in this Shelf Disclosure Document or any Supplemental DD(s) which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

7.11 Variation of Debenture Holder(s) rights

The rights, privileges and conditions attached to the Debenture(s) and this Shelf Disclosure Document and the relevant Supplemental DD(s) may be varied, modified or abrogated in accordance with the Articles of Association of the Company and the Act and with the consent of the Super Majority PDI Holder(s). The rights, privileges and conditions attached to the PDI(s) of a particular Series/Tranche, may be varied, modified or abrogated in accordance with the Article of Association of the Company and the Act and with the consent of the Majority PDI Holders of that Series/Tranche of PDIs. Provided that nothing in such resolution shall be operative against the Company where such resolution modifies or varies the terms and conditions governing the Debenture(s) if the same are not acceptable to the Company.

Provided that the Debenture Trustee and the Issuer may agree to make any modifications in this Shelf Information Memorandum or any Supplemental DD which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

7.12 Notices:

The Company agrees to send notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post or through recognized overnight courier service or by hand delivery to the sole / first allottee or sole/first registered Debenture Holder as the case may be at its address registered with the Company.

All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or through recognized courier service or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

7.13 Splitting and Consolidation:

Splitting and consolidation of the NCDs is not applicable in the dematerialised mode form since the saleable lot is 1 (one) Debenture.

7.14 Transfers:

The NCDs may be transferred to any person duly qualified to acquire such NCDs under the Applicable Laws.

7.15 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment.

7.16 Succession:

In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the NCDs standing in the name of the demised Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the Applicable Law.

7.17 Effect of Holidays

Should the date of payment of any Coupon which is due in respect of any Tranche/Series of Debentures fall on a day other than a 'Business Day' the immediately succeeding Business Day shall be considered as the effective date(s) for that payment.

In the event that the date of payment of the redemption amounts in respect of any Tranche of Debentures falls on a day other than a 'Business Day', the immediately preceding Business Day shall be considered as the effective date for that payment.

All interest & redemption calculations shall be made upto 1 (one) Business Day prior to the date of actual payment.

7.18 Debentures to Rank *Pari-Passu*

The Debenture(s) of this Issue shall rank first *pari-passu* inter-se without preference or priority of one over the other or others.

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

SECTION - VIII DECLARATION

The Issuer declares that as of the date of this Shelf Disclosure Document all the relevant provisions in the regulations / guidelines issued by SEBI and other Applicable Laws have been complied with and no statement made in this Shelf Disclosure Document is contrary to the provisions of the regulations / guidelines issued by SEBI and other Applicable Laws, as the case may be. The information contained in this Shelf Disclosure Document is as applicable to privately placed debt securities and subject to the information available with the Issuer. The extent of disclosures made in the Shelf Disclosure Document is consistent with disclosures permitted by regulatory authorities to the issue of securities made by companies in the past.

For HDB Financial Services Limited



Authorised Signatory

Name : Ramesh G. (DIN: 05291597)

Title : Managing Director

Date : April 21, 2018

ANNEXURES

A - APPLICATION FORM

Date: [●]

Application Form No: [●]

By: [●]

The Compliance Officer
HDB Financial Services Limited

Dear Sir,

Having read and understood the contents of the Shelf Disclosure Documents, Supplemental Disclosure Document and the Private Placement Offer Letter dated [●], 2017 and the term sheet included therein, we apply for allotment of the Debentures to us. The amount payable on application as shown below is remitted herewith. On allotment, please place our name(s) on the Register of Debenture holder(s). We bind ourselves to the terms and conditions as contained in the Information Document / Disclosure Document.

(Please read carefully the instructions on the next page before filling this form)

NCD Series	[●]
No. of debentures applied (in figures)	[●]
No. of debentures applied (in words)	[●]
Amount (Rs. in figures)	[●]
Amount (Rs. in words)	[●]
NEFT/RTGS Details	[●]
Date	[●]

Applicant's Name & Address in full (please use capital letters)

[●]		
[●]		
[●]		
[●]		Pin Code: [●]
Telephone: [●]	Fax: [●]	Email: [●]

Status: Banking Company () Insurance Company () Others () – please specify

Name of Authorised Signatory	Designation	Signature
[●]	[●]	[●]

Details of Bank Account (from which the subscription money is remitted)

Bank Name & Branch	[●]
Beneficiary Name	[●]
Nature of Account	[●]
Account No.	[●]
IFSC/NEFT Code	[●]
UTR No. *	[●]

*** Please enclose RTGS alongwith this form.**

We hereby confirm that the payment(s) made towards subscription of the Secured Redeemable Non-Convertible Debentures under Series [●] is made from our bank account(s).

We understand that the interest/principal will be paid to the bank accounts of the beneficiaries as per the list and details of the beneficiaries provided by the Depository i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on the record date.

Depository Details

DP Name	[●]		
DP ID	[●]	Client ID	[●]

(*) We understand that in case of allotment of debentures to us/our Beneficiary Account as mentioned above would be credited to the extent of debentures allotted.

Taxpayers PAN / GIR No.	IT Circle/Ward/District	() Not Allotted
[●]	[●]	
Tax Deduction Status	() Fully Exempt	() Tax to be deducted at Source
	() Yes	() No

List of KYC docs. to be attached with the Application Form:

- Constitution Documents: Certificate of Incorporation, Certificate of commencement of Business, Memorandum & Articles of Association, Regd. Trust Deed in case of Trust, SEBI Registration Certificate in case of Mutual Fund
- ID Proofs: Certified Copy of PAN Card, Demat Client Master Report
- Address Proof: Form 18 (under Companies Act, 1956) or INC-22 (under Companies Act, 2013) filled with ROC or Certified copy of latest utility bills
- Authorizing docs: Power of Attorney / Board Resolution with specimen signatures certified by the Company Secretary

For [●]

Authorised Signatory(ies)

(Tear here)

ACKNOWLEDGEMENT SLIP

Application No: [●]

Date: [●]

NCD Series	Series [●]
No. of debentures applied (in figures)	[●]
No. of debentures applied (in words)	[●]
Amount (Rs. in figures)	[●]
Amount (Rs. in words)	[●]
NEFT/RTGS	[●]

For all further correspondence, please contact the Compliance Officer.

INSTRUCTIONS

- Application must be completed entirely in English, using BLOCK LETTERS.
- A signature can be made either in English or in any other Indian language.
- Application forms duly completed in all respects, must be lodged at the Company's Registered Office.
- All transfers/RTGS must be made payable to " ICCL". Details for RTGS payments are mentioned herein below:

Beneficiary Name : INDIAN CLEARING CORPORATION LTD

Bank Name : ICICI Bank Ltd.

Account No. : ICCLEB

IFSC Code : ICIC0000106

- Cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
- As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, one is requested to mention the full particulars of the bank account, as specified in the application form.
- Interest warrants will then be made out in favour of the bank for credit to one's account. In case the full particulars are not given, cheques will be issued in the name of the applicant at their own risk.
- One should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided.
- The application would be accepted as per the terms of the issue outlined in the Information Document / Disclosure Document.
- The payment(s) towards subscription of the securities shall be made from the bank account(s) of the applicants.

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

B – CREDIT RATING RATIONALE

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

C - CONSENT LETTER OF THE DEBENTURE TRUSTEE

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

D – ANNUAL REPORT OF THE COMPANY FOR FY 2016-17, 2015-16 and 2014-15

(Kindly refer Company website: www.hdbfs.com)

Series [●]

**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE OF
NON-CONVERTIBLE DEBENTURES ON A PRIVATE
PLACEMENT BASIS
DATE: [●]**

E-FORMAT OF SUPPLEMENTAL DD



**HDB FINANCIAL SERVICES LIMITED
(CIN: U65993GJ2007PLC051028)**

(Incorporated on June 4, 2007, in the name of HDB Financial Services Limited, a company within the meaning of the Companies Act, 1956 and registered with the Reserve Bank of India as a Non-Banking Financial company)

Registered Office: Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad – 380 009
Tel: +91 079-30482714

Corporate Office: Ground Floor, Zenith House, Keshavrao Khadye Marg, Opp. Race Course Gate No.6, Mahalaxmi, Mumbai – 400034

Tel: 022- 39586300/49116300; Fax: 022-39586666/49116666; Website: www.hdbfs.com;

Contact Person: Mr. Haren Parekh, Chief Financial Officer; e-mail: compliance@hdbfs.com

PRIVATE PLACEMENT OF UPTO [●] SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES ("TRANCHE [●] DEBENTURES" OR "TRANCHE [●] NCDS") OF THE FACE VALUE OF RS.10,00,000/- (RUPEES TEN LAKH ONLY) EACH, FOR CASH AGGREGATING UPTO RS. [●]/- (RUPEES [●] ONLY) ISSUED UNDER THE SHELF DISCLOSURE DOCUMENT DATED APRIL 21, 2018, ("SHELF DISCLOSURE DOCUMENT" OR "SHELF DD") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME FOR PRIVATE PLACEMENT OF SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES AGGREGATING UPTO RS.7,500,00,00,000/- (RUPEES SEVEN THOUSAND FIVE HUNDRED CRORE ONLY), TO BE ISSUED IN ONE OR MORE TRANCHEs.

This supplemental disclosure document ("**Supplemental Disclosure Document/Supplemental DD**") is issued in terms of and pursuant to the Shelf Disclosure Document dated April 21, 2018. All the terms, conditions, information and stipulations contained in the Shelf Disclosure Document are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Disclosure Document must be read in conjunction with the Shelf Disclosure Document and the Private Placement Offer Letter.

This Supplemental DD contains details of this Tranche / Series and any material changes in the information provided in the Shelf Disclosure Document, as set out herein. Accordingly set out below are the updated particulars / changes in the particulars set out in the Shelf Disclosure Document, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Disclosure Document. All other particulars appearing in the Shelf Disclosure Document shall remain unchanged.

All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Shelf Disclosure Document.

This Supplemental DD is dated [●], 2018

SUMMARY TERM SHEET

Series [●]

Security Name	[●]
Issuer	HDB Financial Services Limited
Arranger	[●]
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior, on <i>pari passu</i> basis with current and future security holders
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph “Who can apply” of this Shelf Disclosure Document.
Listing	<p>The Tranche [●] NCDs are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the Tranche [●] NCDs to be issued and allotted in terms of this DD vide its letter dated _____.</p> <p>The Company shall forward the listing application to the BSE Limited alongwith the applicable disclosures within 15 (Fifteen) days from the deemed date of allotment of Tranche [●] NCDs.</p> <p>In case of delay in listing of the NCDs beyond 20 (Twenty) days from the deemed date of allotment, the Company will pay penal interest, of 1 % (One percent) p.a. over the interest/coupon rate/implicit yield from the expiry of 30 (Thirty) days from the deemed date of allotment till the listing of such NCDs, to the investor.</p>
Rating of the Instrument	Credit Analysis & Research Limited (CARE) has assigned a “CARE AAA/Stable” (pronounced “CARE Triple A with stable outlook”) and CRISIL Limited has assigned a “CRISIL AAA/Stable” (pronounced “CRISIL Triple A with stable outlook”), to this long term Non-convertible Debenture issue programme of upto Rs.7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore Only) of the Company. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Issue Size	The aggregate size of the Issue program is for Rs. 7,500,00,00,000/- (Rupees Seven Thousand Five Hundred Crore only), which Issue shall comprise of one or more Tranches/Series of Debentures.
Series / Tranche Size	[●]
Option to retain oversubscription (Amount)	As per the relevant Supplemental DD
Objects of the Issue	The funds raised through the Issue will be utilized as per the section “Utilisation of Issue Proceeds” stipulated in the Shelf Disclosure Document.
Details of the utilization of the Proceeds	The proceeds of the Issue would be utilised by the Company, <i>inter-alia</i> , for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, and for the general corporate purposes of the Company.
Interest/Coupon Rate	[●]

Step Up/Step Down Coupon Rate	[●]
Coupon Payment Frequency	[●]
Coupon payment dates	[●]
Coupon Type	Fixed/Variable
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	[●]
Day Count Basis	Actual/ Actual
Interest on Application Money	[●]
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% (Two percent) p.a. over the applicable coupon rate will be payable by the Company from the date of the occurrence of the default until the default is cured or the debentures are redeemed pursuant to such default, as applicable.
Tenor	[●]
Issue Price	Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture
Redemption Date	[●]
Redemption Amount	[●] per Tranche [●] Debentures
Redemption Premium / Discount	[●]
Discount at which security is issued and the effective yield as a result of such discount.	[●]
Put Option Date	[●]
Put Option Price	[●]
Call Option Date	[●]
Call Option Price	[●]
Put Notification Time	[●]
Call Notification Time	[●]
Rollover Option	[●]
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture
Minimum Application and in multiples of ___ Debt securities thereafter	10 (Ten) Debentures and in multiples of 10 (Ten) Debentures thereafter
Tranche Issue Timing 1. Tranche Issue Opening Date 2. Tranche Issue Closing Date 3. Tranche Pay-in Date 4. Tranche Deemed Date of Allotment	[●] [●] [●] [●]
Issuance mode of the Instrument	Demat only
Trading mode of the	Demat only

Instrument	
Settlement mode of the Instrument	NEFT / RTGS
Depository(ies)	NSDL / CDSL
Business Day	Any day of the week excluding Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) or any other day on which banks are closed for customer business in Mumbai, India) on which money market is functioning in Mumbai
Business Day Convention	Should any of the Due date(s), as defined above or elsewhere in this DD or in any Supplemental DD, fall on a non-Business Day, the next Business Day shall be considered as the effective date for the purpose of coupon/interest payment and the previous Business Day shall be considered as the effective date for the purpose of payment of redemption proceeds. However, in case any such payment falls on a holiday, the amount of that payment and the amounts and dates of all future payments shall remain as originally stipulated at the time of issuing the security. Also refer to Shelf Disclosure Document.
Record Date	15 (Fifteen) days prior to any Due Date
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security) and Ranking of Security.	<p>The Tranche [●] NCDs being issued under this Disclosure Document shall be secured through: first and exclusive charge by hypothecation over the specific identified Receivables of the Issuer and first <i>pari passu</i> mortgage over the Specifically Mortgaged Premises or such other security as may be identified by the Company as set out in the Debenture Trust Deed /Security Documents.</p> <p>The Company shall create the security within [●]. The Company may provide or cause to be provided (without being obliged to) such further security (including over moveable/immoveable property) for securing its obligations in respect of the Debentures or any Tranche(s)/Series thereof as may be decided by the Company without requiring the consent of the Debenture Trustee and/or the Debenture Holders.</p> <p>The Company shall maintain security cover of atleast 1.10 (one decimal point one zero) times of the entire redemption amount including the interest accrued /redemption premium, throughout the tenure of the Tranche [●] NCDs.</p>
Transaction Documents	Disclosure Document, Supplemental Disclosure Document, Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation, Private Placement Offer Letter and any other document that may be designated by the Debenture Trustee as a Transaction Document.
Delay in execution of the Debenture Trust Deed/ Security Documents	In the event of delay in execution of the Debenture Trust Deed and/or the Deed of Hypothecation beyond a period of [●] from the Deemed Date of Allotment, the Company will ensure refund of the Application Money at an agreed rate of interest or will pay penal interest of 2% over the coupon rate/ yield from the date being the 31st date from the Deemed Date of Allotment till the execution of Debenture Trust Deed and Deed of

	Hypothecation are complied with at the option of the investor.
Conditions Precedent to Disbursement	[●]
Condition Subsequent to Disbursement	[●]
Events of Default	As further provided if any, read with the relevant Debenture Trust Deed
Provisions related to Cross Default Clause	[●]
Covenants	As is customary for a transaction of this nature and as further provided for in the Transaction Documents.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents
Illustration of Bond Cashflows	As per Annexure I to this Supplemental DD.
Governing Law and Jurisdiction	The Tranche [●] Debentures are governed by and will be construed in accordance with the Indian Law. The Tranche [●] Debenture-holders, by purchasing the Tranche [●] Debentures, agree that the courts in Ahmedabad and Mumbai shall have exclusive jurisdiction with respect to any matters relating to the Tranche [●] Debentures.

Note: The Company reserves the right to amend the Tranche/Series timetable including the Date of Allotment

For HDB Financial Services Private Limited

Authorised Signatory

Name: Mr. [●]

Title: [●]

Date: [●], 2018

ANNEXURE I- ILLUSTRATION OF BOND CASH FLOWS ARISING FROM BONDS BEING ISSUED PURSUANT TO THIS SUPPLEMENTAL MEMORANDUM

Disclosure of cash flows (pursuant to SEBI Circular no. CIR/IMD/DF/18/2013 dated 29th October 2013)

Company	HDB Financial Services Limited
Face Value (per security)	Rs.10,00,000/- per instrument
Issue Date/Date of Allotment	[●]

Redemption	[●]
Coupon Rate	[●]
Frequency of the interest payment with specified dates	[●]
Day Count Convention	Actual/Actual

* Coupon payment dates falling due on a Saturday, Sunday have been adjusted according to Business Days convention. Other holiday except as mentioned herein has not been considered.

Cash Flows	Date	Day	No. of Days in Coupon Period	Amount in Rupees per debenture of Rs.10 lakhs
1 st Coupon Payment	[●]	[●]	[●]	[●]
2 nd Coupon Payment	[●]	[●]	[●]	[●]
Principal Repayment	[●]	[●]	[●]	[●]

MODE OF PAYMENT

All transfers/RTGS must be made payable to "ICCL". Details for RTGS payments are mentioned herein below:

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

For HDB Financial Services Limited

Authorised Signatory

Name: [●]

Title: [●]

Date: [●]