



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, Mahalaxmi, Mumbai - 400034

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

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 (THE “DEBENTURES” or “NCDs”) AGGREGATING UPTO Rs.7500,00,00,000/- (RUPEES SEVEN THOUSAND AND FIVE HUNDRED CRORE ONLY) TO BE ISSUED IN ONE OR MORE TRANCHES/SERIES (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/Series 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") or the Reserve Bank of India ("RBI") nor do SEBI or RBI 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

CARE Ratings Limited has assigned a "CARE AAA Stable" (pronounced "CARE Triple A with stable outlook") and CRISIL Ratings Limited 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 Limited ("**BSE**"). The BSE has given / shall provide its 'in-principle' approval to list the Debentures vide its letter dated May 25, 2021.

At 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 May 25, 2021
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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

TRUSTEE**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor,

17, R. Kamani Marg, Ballard Estate,

Mumbai – 400 001

Tel: +91 022 4080 7012

Fax: +91 22 6631 1776

E-mail: itsl@idbitrustee.com

Website: www.idbitrustee.com

Contact Person: Mr. Aditya Kapil

ISSUE SCHEDULE

The Issue Opening Date, the Issue Closing Date and the Deemed Date of Allotment for each Tranche/Series will be informed to the Trustee separately and shall be incorporated in the Supplemental Disclosure Document. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule, subject to the timelines of the Electronic Book Provider platform.

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) filed with the Stock Exchange in relation to such Series/Tranches and other documents in relation to such issuance including the Private Placement Offer cum Application Letter(s). The terms and conditions contained in this Shelf Disclosure Document shall be read in conjunction with the provisions (as may be mutually agreed between the Issuer and respective Debentures Holders from time to time) contained in the respective Supplemental Disclosure Document(s) and/or the Private Placement Offer cum Application 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 cum Application 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 cum Application 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 read together with any Supplemental Disclosure Document(s)/Private Placement Offer cum Application Letter(s) issued pursuant hereto, **is neither a prospectus nor a statement in lieu of prospectus** under the Act. This Disclosure Document has neither been submitted to the SEBI nor the RBI for their approval and has been prepared by the Company in conformity with the extant SEBI Debt Listing Regulations. This Issue of Debentures 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 Debentures. Neither this DD nor any other information supplied in connection with the Debentures 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 Debentures. Each potential investor contemplating the purchase of any Debentures 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 Debentures 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 Act, it is not necessary for a copy of this Shelf Disclosure Document to be filed with or submitted to the ROC 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 Act shall not be applicable and accordingly, a copy of this Disclosure Document has not been filed with the ROC.

This DD read together with Supplemental Disclosure Documents/ Private Placement Offer cum Application Letter have been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations including regulations governing private placements of debentures by NBFCs. This DD read together with the Supplemental Disclosure Document/Private Placement Offer cum Application Letter have been prepared solely to provide general information about the Issuer to the Eligible Investors (as defined below) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This DD read together with the Supplemental Disclosure Document/Private Placement Offer cum Application Letter do not purport to contain all the information that any Eligible Investor may require. Further, this DD read together with the Supplemental Disclosure Document/Private Placement Offer cum Application Letter have been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this DD read together with the Supplemental Disclosure Document/Private Placement Offer cum Application Letter nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this DD read together with the

Supplemental Disclosure Document/Private Placement Offer cum Application Letter should not consider such receipt as a recommendation to subscribe to any Debentures. Each Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. 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 Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Investor's particular circumstances.

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 allotment of Debentures shall only be made pursuant to this DD and the Supplemental Disclosure Document(s). 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 Debentures 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 Debentures 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 cum Application 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 Debt Listing Regulations, 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 Debt Listing Regulations. 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 Debentures 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 Debentures. **All investors must make investment decisions based on their own analysis and RBI does not accept any responsibility about the repayment of such investment.**

1.5 DISCLAIMER OF THE TRUSTEE

The 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 Debentures 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 Maharashtra. Any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals of the city of 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) have 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 contained 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 Disclosure Document 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.
NBFC-ND-SI	Systemically Important Non-Deposit taking Non-Banking Financial Company as notified by the RBI, 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, 2013, which are in effect from time

	to time.
AGM	Annual General Meeting.
Allotment/Allot/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
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 in relation to issuance of Debentures.
Application Form	The form used by the recipient of this Disclosure Document, to apply for subscription to the Debentures.
Asset Cover	Shall mean the aggregate value of all the principal amount of the Receivables, which is to be maintained by the Company at 1.10 (One Decimal Point One Zero) times of the outstanding principal and the Coupon amounts on the Debentures to be issued by the Company or such other asset cover as may be agreed to by the Company and the Trustee and the Debenture Holder(s) in relation to a particular Tranche/Series and stipulated in the relevant Supplemental Disclosure Document, in respect of which the Hypothecated Assets constitutes security on an exclusive first ranking and continuing basis from the date of execution of the Trust Deed till the Final Settlement Date. It is hereby expressly clarified that the aggregate value of the Receivables shall suffice to cover the due repayment of the outstanding principal as well as the Coupon amounts under the Debentures
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act.
BSE	BSE Limited (earlier known as Bombay Stock Exchange)
Business Day	Shall mean 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) and any other day on which banks are closed for customer business in Mumbai) on which money market is functioning in Mumbai and "Business Days" shall be construed accordingly.
CDSL	Central Depository Services (India) Limited
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Debenture(s)	Secured, Rated, Listed, Redeemable Non-Convertible Debentures for cash aggregating upto Rs. 7500,00,00,000/- (Rupees Seven Thousand and 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(s)	The holder(s) of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deed of Hypothecation	The deed of hypothecation entered/ to be entered into by and between the Company and the 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, in accordance with this DD, the Supplemental DD and any other Transaction Document.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
Electronic Book Provider/ EBP	Shall have the meaning assigned to such term under the EBP Guidelines.
Equity Shares	Equity shares of the Company of face value of Rs.10/- (Rupees Ten only) each.
Financial Year/ FY	12 (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.
Indebtedness/Financial Indebtedness	Any indebtedness for or in respect of: (i) monies borrowed;

	<ul style="list-style-type: none"> (ii) any amount availed of by acceptance of any credit facility; (iii) any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; (v) receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (ix) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; (x) any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s); (xi) any preference shares (excluding any compulsorily convertible preference shares); (xii) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (xi) above.
Inter Creditor Agreement or ICA	shall mean an agreement entered under the directions issued by RBI described as the RBI (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 providing a framework for early recognition, reporting and time bound resolution of stressed assets on June 7, 2019 as amended from time to time read with the SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020;
Interest Rate / Coupon Rate	The rate of interest payable on the Debentures for the period shall be specified in the relevant Supplemental DD issued for each Tranche/Series of the Debentures.
INR / Rs.	Indian National 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.
Issue		Private placement of the Debentures.
Issue Closure Date		Shall be specified in the relevant Supplemental DD.
Majority Debenture Holder(s)		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 outstanding. 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.
Material Adverse Effect		The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could cause a material and adverse effect on: <ul style="list-style-type: none"> i. the business activities, financial condition and credit standing of the Company; or ii. the ability of the Company to perform its obligations under the Transaction Documents; or iii. the validity or enforceability of, or the effectiveness of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Mutual Fund		A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
NA		Not Applicable.
NEFT		National Electronic Funds Transfer Service.
NPA		Non-Performing Asset.
NSDL		National Securities Depository Limited.
PAN		Permanent Account Number.
Private Placement Offer cum Application Letter		Shall mean the offer cum application letter prepared in compliance with section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, which shall be issued with respect to each Tranche/Series issued under the Issue.
Rating Agency(ies)		CARE Ratings Limited a company incorporated under the provisions of the Act and having its registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022; and CRISIL Ratings 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 – 400076.
RBI		Reserve Bank of India

RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
Receivables	means the present and future receivables belonging to the Company including all amounts payable by the obligors of the Company (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), and which are more particularly identified in the Deed of Hypothecation and will include the receivables that will be set out in the Supplemental Receivables Schedules that will be provided to the Debenture Trustee from time to time under the terms of the Debenture Trust Deed read together with the terms of the Deed of Hypothecation.
Record Date	Shall mean 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.
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited
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 from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended/replaced from time to time.
Secured Assets	means the Receivables of the Company which have been/will be offered as a security for the Debentures.
Secured Obligations	Shall mean all obligations at any time due, owing or incurred by the Company to the Debenture Trustee and the Debenture Holder(s) in respect of the Debentures and shall include the obligation to redeem the Debentures in terms thereof together with the Coupon accrued thereon, Default Interest, if any, accrued thereon, any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Company in respect of the Debentures under the Transaction Documents;
Security	Means the security created or to be created by the Company to secure its Secured 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 cum Application Letter.

Stock Exchange	BSE.
Super Majority Debenture Holders	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 Tranches (within all Tranches, all Series) of Debentures under the Issue collectively.
Supplemental Disclosure Document(s)/ Supplemental DD	Shall mean the supplemental disclosure document to be issued by the Company broadly in the format provided in Annexure F hereof containing <i>inter alia</i> the issue price, Interest Rate and other terms and conditions regarding each Tranche/Series of the Debentures issued under the Issue. The Company shall be free to amend the format of Supplemental DD depending upon the terms and conditions of the Debentures being issued in each Tranche/Series.
Supplemental Receivables Schedule	Shall mean each list of loan receivables provided by the Company to the Debenture Trustee from time to time (by way of a certificate or in any other agreed manner as agreed by trustee, identifying the further Receivables charged in favour of the Debenture Trustee). Each such Supplemental Receivables Schedule shall <i>ipso facto</i> form an integral part of the Deed of Hypothecation.
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 cum Application Letter.
Transaction Documents	The documents executed or to be executed in relation to the Issue of the Debentures and shall include the Trust Deed, the Trustee Agreement, this Shelf Disclosure Document(s), Supplemental Disclosure Document(s), the Private Placement Offer cum Application Letter(s), the Deed of Hypothecation and any other document that may be designated by the Trustee as a Transaction Document.
Trustee	Trustee for the Debenture Holders, in this case being IDBI Trusteeship Services Limited.
Trustee Agreement	Agreement executed by and between the Trustee and the Company for the purposes of appointment of the Trustee to act as trustee in connection with the issuance of the Debentures as disclosed in Annexure D.
Trust Deed	The trust deed to be entered by and between the Company and the Trustee setting out the terms on which the Debentures are being issued and shall include the representation and warranties and the covenants to be provided by the Issuer and the Trustee.
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 cum Application 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 cum Application 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.

INTERNAL RISK FACTORS

3.1 CREDIT RISK

Potential investors should be aware that receipt of any 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.

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. 61,561 crore as on March 31, 2021. 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.

3.2 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 3.12% and 3.24% as of March 31,

2021 and March 31, 2020 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.

3.3 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.

3.4 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.

3.5 ASSET LIABILITY MISMATCH

The Company is an 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.

3.6 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.

3.7 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.

3.8 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.

3.9 DOWNGRADING IN CREDIT RATING

CARE Ratings Limited has assigned "CARE AAA Stable" (pronounced "CARE Triple A with stable outlook") rating and CRISIL Ratings Limited has assigned "CRISIL AAA/Stable" (pronounced "CRISIL Triple A with stable outlook") for long term borrowings upto Rs. 7500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crore only) through Debentures. 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.

3.10 NO DRR

As per the provisions of sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from the requirement of creation of DRR 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 Holders of Debentures may find it difficult to enforce their interests in the event of a default.

3.11 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 Trustee may enforce the Security as per the terms of the 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.

3.12 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.

3.13 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

3.14 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 NBFC-ND-SI, 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.

3.15 CHANGES IN GENERAL INTEREST RATES IN THE ECONOMY MAY AFFECT THE PRICE OF THE DEBENTURES

All securities where a fixed rate of interest is offered, such as the Debentures, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the Debentures.

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 be traded 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 Debentures Holders 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, 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 THE ECONOMIC FALLOUT FROM THE SPREAD OF THE COVID-19 VIRUS MAY IMPACT THE COMPANY'S BUSINESS PROSPECTS, FINANCIAL CONDITION, RESULT OF OPERATIONS AND CREDIT RISK.

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of the people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is however also adversely affecting, and is expected to continue to adversely affect, our operations, liquidity and cashflows.

While the extent of negative financial impact cannot be reasonably estimated at this time, a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Issuer's ability to service the obligations in relation to the Debentures.

3.20 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.

3.21 POLITICAL INSTABILITY OR CHANGES IN THE GOVERNMENT COULD DELAY FURTHER LIBERALISATION 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.

3.22 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

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.

3.23 THE COMPANY'S BUSINESS MAY BE ADVERSELY IMPACTED BY ACTS OF GOD AND NATURAL CALAMITIES OR UNFAVOURABLE CLIMATIC CHANGES.

India has experienced acts of God and natural calamities such as earthquakes, floods, droughts and cyclones 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 Crore)

Particulars	FY 2020-21 (Audited) (IND-AS)	FY 2019-20 (Audited) (IND-AS)	FY 2018-19 (Audited) (IND-AS)
Total Debt	50359	49804	45105
which – Non Current Maturities of			
- Long Term Borrowing	34875	31914	29135
- Short Term Borrowing	400	1405	3723
- Current Maturities of Long Term Borrowing	15084	16485	12247
Net Fixed Assets	100	134	123
Non Current Assets	41280	40229	37135
Cash and Cash Equivalents	754	356	335
Current Investments	1455	1745	567
Current Assets	19152	18385	18241
Current Liabilities	3203	2482	3062
On balance sheet assets	62641	58431	54709
Off balance sheet assets	236	402	716
Net worth	8446	8018	7178
Parameters	FY 2020-21 (IND-AS)	FY 2019-20 (IND-AS)	FY 2018-19 (IND-AS)
Total revenue	10945	10756	8725
Net Interest Income	4605	4152	3379
Profit before tax	501	1464	1724
Profit after tax	391	1005	1153
Dividend declared	NIL	Nil	Final Rs 1.80 per share (18%)
Interest Coverage Ratio [(Cash profits after tax + interest paid) / interest paid]	1.13	1.27	1.36

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 (Issue and Listing of Debt Securities), 2008 as amended from time to time.

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 Issue, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc and the same would be uploaded on the website of the BSE, where the Debentures are proposed to be listed, within 5 (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;

5.2 Documents Submitted to the Trustee

The following documents have been / shall be submitted to the 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 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 Trustee and the Trustee shall be obliged to share the details submitted under this clause with the 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

Sr. No.	Particulars	Details
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(West), 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: +91 022 4080 7012 Fax: +91 22 6631 1776 E-mail: itsl@idbitrustee.com Website: www.idbitrustee.com Contact Person: Mr. Aditya Kapil
8.	Registrar of the Issue	Link Intime India Private Limited 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	CARE Ratings Limited 4 th 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 Ratings 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/ratings
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

Sr. No.	Particulars	Details
		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: The current product portfolio of the Company consists of loans, fee based products and BPO services.

Loans:

The Company offers a wide range of loan products (secured and unsecured) to various customer segments. These include Consumer Loans, Enterprise Loans and Asset Finance.

(a) Consumer Loans:

The Company provides loans for purchase of white goods (such as washing machines and refrigerators etc.), brown goods (such as televisions, audio equipment and similar household appliances etc.), digital products (such as mobile phones, computer/laptop etc.) and life style products.

The Company also provides loans to individuals for personal, family or household purposes to meet their short or medium term requirements.

Consumer Loans Portfolio includes:

- Consumer Durable Loan
- Digital Products Loan
- Gold Loan
- Auto Loan
- Personal loans

(b) Enterprise Loans:

Small businesses need funding, whether it is for the working capital for a big order or for setting up new machinery for faster production etc. The Company offers secured and unsecured Loans to cater to the needs of these enterprises.

Various loans offered to Enterprises include:

- Unsecured Business loan
- Loan against Property
- Loan against Lease Rental
- Enterprise Business Loan
- Auto Refinance

- Loan against securities

(c) Asset Finance:

The Company offers loans for purchase of new & used vehicles and equipment's that generate income for the borrowers. The Company provides finance to a broad spectrum of customers including fleet owners, first time users, first time buyers and captive use buyers.

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

Company's Loan Portfolio

(Rs. in Crore)	
Particulars	Amount (as on March 31, 2021)
Loan against property	17,916.20
Asset Finance loans	25,242.53
Unsecured Business loans	14,045.41
Other Secured loans	2,539.85
Total	59,743.99

Fee based products/Insurance Services:

- The Company is a registered Corporate Insurance Agent having license from Insurance Regulatory & Development Authority of India (IRDAI). IRDAI has renewed Corporate Agency license of the Company for a period of 3 years from April 01, 2019 to March 31, 2022.
- The Company has obtained AMFI Registration Number from Associations of Mutual Funds in India.
- The Company distributes third party products like extended warranty and road-side assistance.

Services:

- Collection Services - The Company has a contract with HDFC Bank to run collection call centres and collect over dues from borrowers. The Company has set up 15 call centres across the country with a capacity of over 5,000 seats. These centres provide collection services for the entire gamut of retail lending products of HDFC Bank. The Company offers end to end collection services in over 750 locations through its calling and field support teams.
- Back office and Sales Support –The Company provides sales support services, back office, operations and processing support to HDFC Bank.

Infrastructure:

The Company has 1319 branches in 959 cities in India as on March 31, 2021. The Company's IT

hardware is housed in data centres in Bengaluru and Mumbai with centralised operations based at Hyderabad, Chennai and Noida. To strengthen its internal processes, the Company has implemented a quality management system in its centralised operations.

(a) **Overview:**

HDB Financial Services Limited was incorporated in Ahmedabad on June 4, 2007, as a non-deposit taking Non-Banking Financial Company (NBFC) as defined under section 45-IA of RBI Act 1934 and is engaged in the business of financing. The Company has achieved total income of Rs. 10,945 Crore and net profit of Rs. 391 Crore in the FY 2020-21 with total net worth of Rs. 8,446 Crore as at March 31, 2021. The Company is promoted by HDFC Bank Ltd. which has 95.11% shareholding in the Company as on March 31, 2021. 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, 2021 was 18.89 %, as against minimum regulatory requirement of 15% for non-deposit accepting NBFCs. The asset quality of the Company remains healthy with Gross NPAs at 4.50 % and Net NPAs at 3.08 % as on March 31, 2021. During FY 20-21, the Company has disbursed loans amounting to Rs. 24,578 Crore.

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:

The Company's business strategy has been to provide best-in-class products 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.

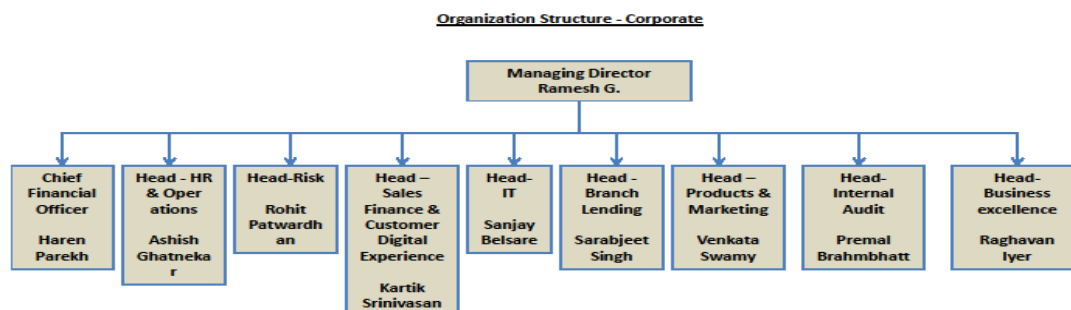
(b) Corporate Structure:

The Company is professionally Board managed company headed by Mr.G. Ramesh, Managing Director and Chief Executive Officer (MD & CEO). He reports to the Board. He has direct reportees in each function:

- Mr. Haren Parekh, Chief Financial Officer
- Mr. Ashish Ghatnekar, Head - HR & Operations
- Mr. Rohit Patwardhan, Chief Risk Officer
- Mr. Kartik Srinivasan, Head –Sales Finance & Customer Digital Experience
- Mr. Sanjay Belsare, Head- IT
- Mr. Sarabjeet Singh, Head - Branch Lending
- Mr. Venkata Swamy, Head – Products & Marketing
- Mr. Premal Brahmbhatt, Head- Internal Audit
- Mr. Raghavan Iyer- Head- Business excellence

All the functional heads report to MD. The Company is having a qualified and dedicated pool of employees.

The organisational chart of the Company is as set out below:

**(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 Crore)

Parameters	FY 2020-21 (IND-AS)	FY 2019-20 (IND-AS)	FY 2018-19 (IND-AS)
Net worth	8446	8018	7178
Total Debt	50359	49804	45105
Non current maturities of long term	34875	31914	29135

borrowing			
Non current maturities of short term borrowing	400	1405	3723
Current maturities of long term borrowing	15084	16485	12247
Net Fixed Assets	100	134	123
Non Current Assets	41280	40229	38299
Cash and Cash Equivalents	754	356	335
Current Investments	1455	1745	567
Current Assets	19152	18385	18241
Current Liabilities	3203	2482	3062
Assets under Management	62877	58431	55425
Off Balance Sheet Assets	236	402	716
Parameters	FY 2020-21 (IND-AS)	FY 2019-20 (IND-AS)	FY 2018-19 (IND-AS)
Interest Income	8488	8233	6712
Interest Expense	3883	4081	3333
Provisioning & Write-offs	3069	1442	637
PAT	391	1005	1153
Gross NPA (%)	4.50%	3.87%	1.83%
Net NPA (%)	3.08%	3.12%	1.24%
Tier I Capital Adequacy Ratio (%)	13.44%	13.96%	12.78%
Tier II Capital Adequacy Ratio (%)	5.45%	5.40%	5.13%
EPS (Rs.) (Basic)	4.97	12.78	14.71
Book value (Rs.)	107.02	101.80	91.36

Gross Debt: Equity Ratio of the Company:

Before the issue of debt securities	As specified in the Supplemental DD
After the issue of debt securities	As specified in the Supplemental DD

Gross Debt : Equity ratio as on last financial year end, i.e. March 31, 2021 was 6.53.

(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 Limited as non-banking financial company (Non-Deposit taking) and the Company continues to be a subsidiary of HDFC Bank Limited which has a shareholding of 95.11% as on March 31, 2021.

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.

(a) Details of Share Capital as on last quarter end, i.e. March 31, 2021:

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. 789,18,52,160 comprising: 78,91,85,216 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 Limited, 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, 2021 for the last five years:

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

Date of (AGM/EGM)	December 01, 2016*
Authorised Share Capital (In Rs.)	Rs. 10,01,55,00,000/-
Particulars	Authorised capital increased pursuant to the Scheme of Amalgamation

* Apart from this change in its capital structure, no other changes have occurred in the last five years.

(c) Equity Share Capital History of the Company as on the last quarter end i.e. March 31, 2021 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.)	
27/08/15	1,41,600	10	Cash	Series 4C – 17.5/- Series 5B – 25/- Series 6A – 31/- Series 6B – 31/- Series 7A – 56/-	ESOS Exercise	69961 1476	6996114760	17900753734	For cash on account of ESOP allotment
30/11/15	5,60,950	10	Cash	Series 6B – 31/- Series 6C – 31/- Series 7A – 56/- Series 7B – 56/-	ESOS Exercise	70017 2426	7001724260	17922581184	For cash on account of ESOP allotment
29/09/16	3,52,900	10	Cash	Series 5C – 25/- Series 6B – 31/- Series 6C – 31/- Series 7A – 56/- Series 7B – 56/-	ESOS Exercise	70052 5326	7005253260	17937273084	For cash on account of ESOP allotment
29/11/2016	9,07,900	10	Cash	Series 6C – 31/- Series 7B – 56/- Series 8A – 88/-	ESOS Exercise	70143 3226	7014332260	18,00,58,32,884	For cash on account of ESOP allotment
16/12/2016	75,60,985	10	Cash		Scheme of amalgamation	70899 4211	7089942110	18,00,60,82,884	On account of Merger vide High Court Order
14/2/2017	3,18,640	10	Cash	Series 6C – 31/- Series 7B – 56/- Series 8A – 88/-	ESOS Exercise	70931 2851	7093128510	18,03,00,15,604	For cash on account of ESOP allotment
23/3/2017	7,09,31,445	10	Cash	155/-	Rights issue	78024 4296	7802442960	28,31,50,75,129	For cash on account of Rights Issue
28/9/2017	5,06,660	10	Cash	Series 6C – 31/- Series 7B – 56/- Series 8A – 88/-	ESOS Exercise	78075 0956	7807509560	28351403009	For cash on account of ESOP allotment
5/12/2017	21,85,300	10	Cash	Series 8A – 88/- Series 8B – 88/- Series 9A – 137/-	ESOS Exercise	78293 6256	7829362560	28575501609	For cash on account of ESOP allotment
30/5/2018	4500	10	Cash	Series 8C – 88/-	ESOS Exercise	78294 0756	7829407560	28575852609	For cash on account of ESOP allotment
4/12/2018	27,59,550	10	Cash	Series 8B – 88/- Series 8C – 88/- Series 9A – 137/-	ESOS Exercise	78570 0306	7857003060	28938205459	For cash on account of ESOP allotment

				Series 9B - 137/- Series 10A - 213/- Series 10B - 213/- Series 10C - 213/-					
13/9/2019	1,68,700	10	Cash	Series 8C – 88/- Series 9B - 137/- Series 10A - 213/-	ESOS Exercise	78586 9006	7858690060	28964171859	For cash on account of ESOP allotment
11/12/2019	17,10,650	10	Cash	Series 9C-137/- Series 10A - 213/-	ESOS Exercise	78757 9656	7875796560	29254342609	For cash on account of ESOP allotment
18/11/2020	2,50,890	10	Cash	Series 10B - 213/- Series 11A - 274/-	ESOS Exercise	78783 0546	7878305460	29318729269	For cash on account of ESOP allotment
07/12/2020	10,41,100	10	Cash	Series 10C - 213/- Series 11A - 274/- Series 11B - 274/- Series 11C - 274/-	ESOS Exercise	78887 1646	7888716460	29530353169	For cash on account of ESOP allotment
25/02/2021	3,11,220	10	Cash	Series 10A - 213/- Series 10B - 213/- Series 10C - 213/- Series 11A - 274/- Series 11B - 274/-	ESOS Exercise	78918 2866	7891828660	29606476249	For cash on account of ESOP allotment
16/03/2021	2,350	10	Cash	Series 10C - 213/-	ESOS Exercise	78918 5216	7891852160	29606953299	For cash on account of ESOP allotment

(d) Details of any Acquisition or Amalgamation in the last one year:

None

(e) 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, 2021:

(a) Shareholding pattern of the Company as on March 31, 2021:

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 Limited	75,05,96,670	75,05,96,670	95.11%
2	Others	385,88,546	385,88,546	4.89%

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 end i.e. March 31, 2021:

The list of top ten holders of Equity Shares of the Company as on March 31, 2021 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	95.11
2	HDB EMPLOYEE GRAUITY TRUST (THROUGH ITS TRUSTEES)	26,18,699	26,18,699	0.33
3	HDBFS EMPLOYEES WELFARE TRUST (THROUGH ITS TRUSTEES)	19,22,062	19,22,062	0.24
4	PI OPPORTUNITIES FUND I	11,00,000	11,00,000	0.14
5	GOURI VINOD YENNEMEDI	8,50,000	8,50,000	0.11
6	RAMESH G.	7,20,500	7,20,500	0.09
7	SANGEETA PARESH SUKTHANKAR	5,51,078	5,51,078	0.07
8	HUZAAN KAIZAD BHARUCHA	3,90,000	3,90,000	0.05
9	ROHIT SUDHIR PATWARDHAN	3,67,999	3,67,999	0.05
10	MR. GANAPATHY SUBRAMANIAN	3,51,693	3,51,693	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	Age (in years)	Address	Director of the Company Since	Details of other directorship
Mr. Ramesh G., Managing Director and	51	C - 101, Ashok Gardens, Tokersey Jivraj Road, Sewree,	01.07.2012	Nil

Chief Executive Officer, DIN - 05291597		Mumbai 400015		
Mr. Venkatraman Srinivasan, Independent Director DIN – 00246012	61	73, Keshav Smruti, 8B, Veer Savarkar Marg, Shivaji Park, Mumbai- 400028	12.03.2015	1. National Payments Corporation of India 2. Fairchem Organics Limited
Ms. Smita Affinwalla, Independent Director DIN - 07106628	58	7A, A Block, 3rd Floor, Khalakdina Terrace, August Kranti Marg, Mumbai- 400 036	12.03.2015	1. Avameh Consulting Private Limited 2. Illuminos Consulting Private Limited 3. Prime Securities Limited 4. Micro Units Development & Refinance agency Limited 5. Prime Research and Advisory Limited
Dr. Amla Samanta, Independent Director DIN - 00758883	65	13, Meera Baug, Talmiki Road, Santacruz West, Mumbai - 400054–	01.05.2019	1. HDFC Securities Limited 2. Samanta Movies Private Limited 3. Shakti Cine Studio Pvt. Ltd.
Mr. Adayapalam Viswanathan, Independent Director DIN - 08518003	63	1502 Godrej Serenity, Deonar, Mumbai – 400088	24.07.2019	Nil

* **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. Jimmy Tata, Director DIN – 06888364	01/05/2016	30/06/2020	Resigned due to HDFC Bank's internal policy

Sr. No.	Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
2.	Mr. Bhavesh Zaveri, Director DIN – 01550468	01/05/2016	28/11/2019	Resigned due to pre-occupation
3.	Dr.Amla Samanta, Independent Director DIN – 00758883	01/05/2019	-	-
4.	Mr. A K Viswanathan, Independent Director DIN – 08518003	24/07/2019	-	-
5.	Mr. Aditya Puri	01/05/2016	05/11/2020	Resigned due to HDFC Bank's internal policy

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 Re-appointed on June 22, 2018

(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, 2021:

(a) Details of Secured Loan Facilities as on March 31, 2021:

Lender's name	Type of Facility	Amount Sanctioned (Rs. in Crore)	Principal Amount Outstanding (Rs. in Crore)	Security	Repayment Date / Schedule
Allahabad Bank	Term Loan	375.00	375.00	Book Debt	Quarterly repayment
Axis Bank	Term Loan	400.00	400.00	Book Debt	Bullet repayment
Bank Of Baroda	Term Loan	200.00	200.00	Book Debt	Bullet repayment
BNP Paribas	Term Loan	600.00	600.00	Book Debt	Quarterly repayment
Canara Bank	Term Loan	2,766.67	1,391.67	Book Debt	Quarterly repayment
Corporation Bank	Term Loan	75.00	75.00	Book Debt	Quarterly repayment
Central Bank Of India	Term Loan	583.33	583.33	Book Debt	Quarterly repayment

Deutsche Bank	Term Loan	675.00	675.00	Book Debt	Bullet payment
Federal Bank	Term Loan	312.44	312.44	Book Debt	Half yearly repayment
HDFC Bank	Term Loan	8,272.73	5,572.73	Book Debt	Quarterly repayment
HSBC	Term Loan	975.00	975.00	Book Debt	Quarterly repayment
ICICI Bank	Term Loan	150.00	150.00	Book Debt	Quarterly repayment
Indian Bank	Term Loan	666.67	666.67	Book Debt	Quarterly repayment
IndusInd Bank	Term Loan	740.00	740.00	Book Debt	Quarterly repayment
J & K Bank	Term Loan	250.00	250.00	Book Debt	Quarterly repayment
J P Morgan Bank	Term Loan	500.00	500.00	Book Debt	Bullet payment
Karnataka Bank	Term Loan	299.77	299.77	Book Debt	Yearly repayment
Kotak Mahindra Bank	Term Loan	600.00	600.00	Book Debt	Yearly repayment
Karur Vysya Bank	Term Loan	72.92	72.92	Book Debt	Quarterly repayment
Union Bank Of India	Term Loan	800.00	800.00	Book Debt	Quarterly repayment
United Bank Of India	Term Loan	375.00	375.00	Book Debt	Quarterly repayment
State Bank of India	Term Loan	2,000.00	0.00	Book Debt	-
Total		21,689.53	15,614.53		
International Finance Corporation	External Commercial Borrowing	975.00	975.00	Book Debt	Bullet payment
Bank of Baroda- Singapore Branch, The Hongkong And Shanghai Banking Corporation Limited, State Bank of India - New York Branch, Punjab National Bank - Hong kong Branch, BDO Unibank Inc, Singapore Branch	External Commercial Borrowing	3,873.59	3,873.59	Book Debt	Bullet payment

Note –All instalments are residual instalment payable for outstanding loan amount.

(b) Details of Unsecured Loan Facilities as on March 31, 2021:

None

(c) Details of NCDs (including MLDs) as on March 31, 2021:

Debenture Series	Tenor (in days)	Coupon p.a. (%)	Amount (Rs. In Crore)	Date of Allotment	Redemption Date
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

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Series 2018 A/0/119	1103	Zero Coupon	663	01-06-18	08-06-21
Series 2018 A/1/120_Option 1	1106	8.8100	215	27-06-18	07-07-21
Series 2018 A/1(FO)/121	1097	Linked to 91 days T-bill benchmark Rate	575	11-07-18	12-07-21
Series 2018 A/1(FX)/123	1105	8.8217	552	31-08-18	09-09-21
Series 2018 A/0(ZC)/124	1108	Zero Coupon	701	17-10-18	29-10-21
Series 2018 A/1(FX)/125	1246	9.3533	449.5	26-10-18	25-03-22
Series 2018 A/0(ZC)/128	1219	Zero Coupon	500	03-12-18	05-04-22
Series 2018 A/0(ZC)/128_INE756I07CI8 (Further Issuance I)	1201	Zero Coupon	361.2	21-12-18	05-04-22
Series 2019 / 131 - Series 2018 A/0(ZC)/128_INE756I07CI8 (Further Issuance II)	1168	Zero Coupon	57.5	23-01-19	05-04-22
Series 2019 / 131 - Series 2019 A/1(FX)/131	1197	8.8317	386.9	23-01-19	04-05-22
Series 2019 / 132 - Series 2018 A/0(ZC)/128_INE756I07CI8 (Further Issuance III)	1139	Zero Coupon	111	21-02-19	05-04-22
Series 2019 / 133 - Series 2018 A/0(ZC)/128_INE756I07CI8 (Further Issuance IV)	118	Zero Coupon	290	14-03-19	05-04-22
Series 2019 / 133 - Series 2019 A/1(FX)/133	1096	8.8000	290	14-03-19	14-03-22
Series 2019 / 134 - Series 2019 A/1(FX)/134	1141	8.5450	225	03-05-19	17-06-22
Series 2019 / 135 - Series 2018 A/0/119_INE756I07BX9 (Further Issuance I)	753	Zero Coupon	97	17-05-19	08-06-21
Series 2019 / 135 - Series 2019 A/1(FX)/135	731	8.7100	365	17-05-19	17-05-21
Series 2019 / 136 - Series 2019 A/1(FX)/135_INE756I07CQ1 (Further Issuance I)	718	8.7100	300	30-05-19	17-05-21
Series 2019 / 137 - Series 2019 A/1(FX)/134_INE756I07CP3 (Further Issuance I)	1092	8.5450	305	21-06-19	17-06-22
Series 2019 / 138 - Series 2019 A/1(FX)/138	1127	8.0000	117	25-07-19	25-08-22
Series 2019 / 139 - Series 2019 A/1(FX)/PP/139	3653	8.0500	1500	08-08-19	08-08-29
Series 2019 / 140 - Series 2018 A/1/120_Option 1_INE756I07BY7 (Further Issuance I)	685	8.8100	325	22-08-19	07-07-21
Series 2019 / 140 - Series 2019 A/1(FX)/134_INE756I07CP3 (Further Issuance II)	1030	8.5450	275	22-08-19	17-06-22
Series 2019 / 141 - Series 2019 A/1(FX)/141	1827	8.0500	280	28-08-19	28-08-24

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Series 2019 / 142 - Series 2019 A/1(FX)/142	797	7.4900	700	13-09-19	18-11-21
Series 2019 / 143 - Series 2019 A/1(FX)/138_INE756I07CS7 (Further Issuance I)	1066	8.0000	200	24-09-19	25-08-22
Series 2019 / 144 - Series 2019 A/1(FX)/138_INE756I07CS7 (Further Issuance II)	1036	8.0000	220	24-10-19	25-08-22
Series 2019 / 145 - Series 2019 A/1(FX)/145	1096	7.5000	255	19-11-19	19-11-22
Series 2019 / 146 - Series 2019 A/1(FX)/142_INE756I07CV1 (Further Issuance I)	724	7.4900	300	25-11-19	18-11-21
Series 2019 / 146 - Series 2019 A/1(FX)/146	1124	7.5000	260	25-11-19	23-12-22
Series 2019 / 147 - Series 2019 A/1(FX)/145_INE756I07CW9 (Further Issuance I)	1059	7.5000	240	26-12-19	19-11-22
Series 2019 / 147 - Series 2019 A/1(FX)/146_INE756I07CX7 (Further Issuance I)	1093	7.5000	260	26-12-19	23-12-22
Series 2020 / 148 - Series 2020 A/1(FX)/148	1127	7.5700	257	16-01-20	16-02-23
Series 2020 / 149 - Series 2018 A/1/120_Option 1_INE756I07BY7 (Further Issuance II)	524	8.8100	250	30-01-20	07-07-21
Series 2020 / 149 - Series 2020 A/1(FX)/149	1086	7.5549	800	30-01-20	20-01-23
Series 2020 / 150 - Series 2020 A/1(FX)/150	1155	7.0900	380	17-02-20	17-04-23
Series 2020 / 151 - Series 2020 A/1(FX)/150_INE756I07DA3 (Further Issuance I)	1140	7.0900%	50	03-03-20	17-04-23
Series 2020 / 151 - Series 2020 A/4(FO)/151	961	Linked to 3 Month FBIL-TBILL rate plus spread of 191 bps	510	03-03-20	20-10-22
Series 2020 / 152 - Series 2020 A/1(FX)/152	1157	7.3000%	1200	28-04-20	29-06-23
Series 2020 / 153 - Series 2020 A/1(FX)/153_Option 1	1157	7.2871%	1300	26-05-20	27-07-23
Series 2020 / 153 - Series 2020 A/1(FX)/153_Option 2	1185	7.2834%	700	26-05-20	24-08-23
Series 2020 / 154 - Series 2020 A/1(FX)/154	1224	6.6835%	875	19-06-20	26-10-23
Series 2020 / 155 - Series 2020 A/1(FX)/155	1021	5.7400%	500	07-08-2020	25-05-23
Series 2020 / 156 - Series 2020 A/1(FX)/150_INE756I07DA3 (Further Issuance II)	958	7.0900%	350	01-09-20	17-04-23
Series 2020 / 157 - Series 2020	683	5.1121%	300	11-09-20	26-07-22

A/1(FX)/157					
Series 2020 / 158 - Series 2020 A/1(FX)/157_INE756I07DJ4 (Further Issuance I)	650	5.1121%	4250	14-10-20	26-07-22
Series 2020 / 159 - Series 2020 A/1(FX)/157_INE756I07DJ4 (Further Issuance II)	637	5.1121%	3250	27-10-20	26-07-22
Series 2020 / 159 - Series 2020 A/0(ZC)/159	652	Zero Coupon	3300	27-10-20	10-08-22
Series 2020 / 160 - Series 2020 A/1(FX)/160	1078	5.0800%	9500	15-12-20	28-11-23
Series 2021 / 161 - Series 2020 A/1(FX)/148_INE756I07CY5(Further Issuance I)	720	7.5700%	10000	26-02-21	16-02-23
Series 2021 A/1(FX)/162	1065	6.0451%	12000	25-03-21	23-02-24
Series 2019 A/0(ML)/3	722	If Final Fixing Level <= 25% of Initial Fixing Level: 0.000% If Final Fixing Level > 25% of Initial Fixing Level: 8.44% p.a. (XIRR 8.10% p.a.)	125	13-06-19	04-06-21
Series 2020 A/0(ML)/4	1071	If Final Fixing Level <= 25% of Initial Fixing Level: 0.000% If Final Fixing Level > 25% of Initial Fixing Level: 7.4273% p.a. (XIRR 6.95% p.a.)	236.1	02-06-20	09-05-23

***Note – All the above-mentioned NCDs are:**

- secured against "Immovable property and/orreceivables from financing activities" and
- NCDs (except the Market Linked Debentures) are rated AAA/Stable by CARE & AAA/Stable by CRISIL and the Market Linked Debentures are rated CARE PP-MLD AAA/Stable by CARE & CRISIL PP-MLD AAAR/Stable by CRISIL.

(d) List of Top Ten Debenture Holders as on March 31, 2021:-

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.

Sr. No.	Name of the Debenture Holder	Amount (Rs. in lakhs)
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1	HDFC Bank Ltd.	311500
2	Aditya Birla Sun Life Mutual Fund	188760
3	Kotak Mahindra Mutual Fund	133700
4	Wipro Limited	115000
5	Nippon Mutual Fund	103850
6	State Bank Of India	99400
7	Union Bank Of India	98500
8	HDFC Mutual Fund	81190
9	HDFC Life Insurance Company Limited	78000
10	SBI Mutual Fund	70450

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, 2021:

Bond Series	Tenor / Period of Maturity	Coupon (%)	Amount (Rs. Crore)	Date of Allotment	Redemption Date/ Schedule
Series 2012 I/1/1	10 years	10.2	250	09-08-12	09-08-22
Series 2012 I/1/2	10 years	9.7	150	30-11-12	30-11-22
Series 2012 I/1/3	10 years	9.6	200	22-03-13	22-03-23
Series 2013 I/1/4	10 years	10.2	100	18-10-13	17-10-23
Series 2013 I/1/5	10 years	10.05	50	20-12-13	20-12-23
Series 2013 I/1/6	10 years	10.19	80	18-03-14	18-03-24
Series 2014 I/1/7	10 years	9.7	200	20-06-14	20-06-24
Series 2014 I/1/8	10 years	9.55	100	13-11-14	13-11-24
Series 2014 I/1/9	10 years	9.55	200	17-11-14	15-11-24
Series 2016 I/1/10	10 years	8.79	220	22-07-16	22-07-26
Series 2016 I/1/11	10 years	8.05	170	06-12-16	04-12-26
Series 2018 I/1/12	10 years	8.42	150	01-02-18	01-02-28
Series 2018 I/1/13	10 years	8.45	130	21-02-18	21-02-28
Series 2018 I/1/14	10 years	9.05	250	27-07-18	27-07-28
Series 2018 I/1/15	10 years	9.70	350	15-11-18	15-11-28
Series 2019 I/1/16	10 years	8.85	315	07-06-19	07-06-29
Series 2020 / 17 - Series 2019 I/1/16_INE756I081 81 (Further Issuance I)	3422 days	8.85	228.5	24-01-20	07-06-29
Series 2020 / 18 - Series 2020 I/1/18	3651 days	7.35	356.5	02/11/20	01/11/30

***Note – All the above-mentioned Subordinated Bonds are unsecured and are rated 'CARE AAA; Stable' by CARE & 'CRISIL AAA/Stable' by CRISIL**

(f) List of Top Ten Subordinated Bond holders as on March 31, 2021

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.

Sr. No.	Name of the Debenture Holder	Amount
		(Rs. in lakhs)
1	National Pension System (NPS) Trust	58500
2	ICICI Lombard General Insurance Company Ltd	30000
3	Postal Life Insurance Fund	21000
4	Aditya Birla Sun Life Insurance Company Limited	19500
5	HDFC Life Insurance Company Limited	12500
6	Infosys Limited Employees Provident Fund Trust	12200
7	Maruti Suzuki India Limited Employees Provident Fund Trust	10280
8	Bharti AXA Life Insurance Company Ltd	10000
9	Larsen And Toubro Limited	10000
10	Rural Postal Life Insurance Fund	9500

(g) Details of Perpetual Debt Instrument outstanding as on March 31, 2021:

PDI Series	Tenor / Period of Maturity	Coupon (%)	Amount (Rs. In crore)	Date of Allotment	Redemption Schedule	Date/
Series 2018 P/1/1	Perpetual	9.4	200	06-08-2018	Perpetual, unless call option is exercised any time after 10 years from the Deemed Date of Allotment	
Series 2018 P/1/2	Perpetual	9.15	100	07-09-2018	Perpetual, unless call option is exercised any time after 10 years from the Deemed Date of Allotment	
Series 2019 P/1/3	Perpetual	8.70	100	16-08-2019	Perpetual, unless call option is exercised any time after 10 years from the Deemed Date of Allotment	
Series 2019 P/1/4	Perpetual	8.70	100	29-11-2019	Perpetual, unless call option is exercised any time after 10 years from the Deemed Date of Allotment	

Note – All the above-mentioned Perpetual Debt Instrument are unsecured and are rated 'AAA; Stable' by CARE & 'AAA/Stable' by CRISIL.

(h) List of Top Ten Perpetual Debenture holders as on March 31, 2021:

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.

Sr. No.	Name of the Debenture Holder	Amount (Rs. in lakhs)
1	Trustees Central Bank Of India Employees Pension Fund	5000
2	The Larsen And Toubro Officers And Supervisory Staff Provident Fund	3000
3	HVPNL Employees Pension Fund Trust	2970
4	SBI Life Insurance Co. Ltd	2510
5	National Hydroelectric Power Corporation Limited Employees Provident Fund	2500
6	Ultratech Cemco Provident Fund	2500
7	HPGCL Employees Pension Fund Trust	1000
8	TATA Communications Employees' Provident Fund Trust	1000
9	ASEB Employees Pension Fund Investment Trust	1000
10	Assam Tea Employees Provident Fund Organization	1000

- (i) 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:

Nil

- (j) Details of Commercial Paper:

The total Face Value of Commercial Papers Outstanding as on March 31, 2021 and its breakup are as follows:

CP Series	Amount (Rs. In Crore)	Rate %	No. of days	Issue Date	Due Date	Amount Outstanding (Rs. in crore)
196	100	4.40	364	07-08-20	06-08-21	100
197	300	4.05	364	19-11-20	18-11-21	300

- (k) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference shares) as on March 31, 2021:

None

- (l) 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, 2021, there have been no 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.

- (m) 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:

None

5.10 Details of Promoters of the Company:

- (a) Details of Promoter holding in the Company as on March 31, 2021:

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	95.11%	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:**

* Issuer shall provide latest Audited or Limited Review Financials in line with timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No.SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result.

[Audited Standalone Financials]

Balance Sheet		Ind-AS	Ind-AS	Ind-AS
(Currency: Indian Rupees in Crore)		March 31, 2021	March 31, 2020	March 31, 2019
ASSETS				
Financial Assets				
(a)	Cash and cash equivalents	753.51	355.95	334.72
(b)	Bank balances other than cash and cash equivalents	222.87	207.23	153.79
(c)	Derivative financial instruments	-	81.32	-
(c)	Trade receivables	117.32	181.18	119.52
(d)	Loans	58,601.44	57,145.88	53881.17
(e)	Investments	1,592.90	1,745.76	568.36

(f)	Other financial assets	249.22	118.08	109.79
	Sub total	61,537.26	59,835.40	55162.25
Non-financial Assets				
(a)	Current tax assets (Net)	56.91	77.42	36.74
(b)	Deferred tax assets (Net)	729.99	415.62	384.96
(c)	Property, plant and equipment	91.52	124.48	113.89
(d)	Capital work-in-progress	-	0.06	-
(e)	Other intangible assets	7.98	9.07	9.14
(f)	Right of Use Assets	217.40	252.41	-
	Sub total	1,103.80	879.06	544.73
TOTAL ASSETS		62,641.06	60,714.46	55706.98
LIABILITIES AND EQUITY				
Liabilities				
Financial Liabilities				
(a)	Trade payables			
(i)	Total outstanding dues of micro enterprises and small enterprises	0.01		-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	334.25	149.99	394.91
(b)	Debt securities	23,802.07	22,593.38	24,119.67
(c)	Borrowings (other than debt securities)	22,569.07	23,580.16	18,095.65
(d)	Subordinated liabilities	3,987.61	3630.55	2,889.78
(e)	Other financial liabilities	2,844.93	2254.38	2,623.80
(f)	Derivative financial instruments	42.72	-	-
	Sub total	53,580.66	52208.46	48,123.81
Non-Financial Liabilities				
(a)	Current tax liabilities (net)	173.05	74.60	56.12
(b)	Provisions	319.85	286.86	268.20
(c)	Other non-financial liabilities	121.26	126.74	80.37
		614.16	488.20	404.69
Equity				
(a)	Equity share capital	789.19	787.58	785.70
(b)	Other equity	7,657.05	7230.22	6,392.78
		8,446.24	8017.80	7,178.48

TOTAL LIABILITIES AND EQUITY	62,641.06	60714.46	55706.98
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Profit and Loss statement		Ind-AS	Ind-AS	Ind-AS
(Currency: Indian Rupees in Crore)		March 31, 2021	March 31, 2020	March 31, 2019
Revenue from operations				
(a)	Interest income	8,487.88	8233.47	6,712.12
(b)	Sale of services	2,020.43	2113.23	1,648.12
(c)	Other financial charges	405.05	408.32	294.92
(d)	Net gain on fair value changes	40.04	18.78	32.93
(e)	Net gain on de-recognition of financial instruments under amortised cost category	(8.62)	(17.33)	36.72
(f)	Dividend	-	-	-
Total Revenue from operations		10,944.78	10,756.47	8,724.81
Expenses				
(a)	Finance Costs	3,882.93	4081.42	3,333.33
(b)	Impairment on financial instruments	3,068.77	1441.57	636.94
(c)	Employee Benefits Expenses	2,955.59	3195.57	2,551.74
(d)	Depreciation, amortization and impairment	107.79	109.66	61.92
(e)	Others expenses	428.99	463.77	416.82
Total Expenses		10,444.07	9291.99	7,000.75
Profit before tax		500.71	1464.48	1,724.06
Tax Expense:				
(a)	Current tax	419.09	471.78	648.99
(b)	Deferred tax (credit)	(309.85)	(12.15)	(87.34)
(c)	Income tax for earlier year	-	-	9.17
Total Tax expense		109.24	459.62	570.82
Profit after tax from continuing operations		391.47	1004.85	1,153.24
Profit for the year		391.47	1004.85	1,153.24
Other Comprehensive Income				
(a)	Items that will not be reclassified to profit or loss - Re-measurement gain/(loss) on defined benefit plan	(20.97)	(26.59)	(5.27)
(b)	Income tax relating to items that will not be reclassified to profit or loss	5.28	6.69	1.84

(c)	Items that will be reclassified to profit or loss	2.99	(46.95)	-
(d)	Income tax relating to items that will be reclassified to profit or loss	(0.75)	11.82	-
Other Comprehensive Income		(13.45)	(55.03)	(3.43)
Total Comprehensive Income for the period		378.02	949.82	1,149.81

Cash Flow Statement		Ind-AS	Ind-AS	Ind-AS
(Currency: Indian Rupees in Crore)		March 31, 2021	March 31, 2020	March 31, 2019
A	Cash flow from operating activities			
	Profit/(loss) before tax	500.71	1464.48	1,724.06
	Adjustments for			
	(Profit)/loss on sale of asset	1.91	(0.19)	0.28
	Interest Expenses	3,857.22	3796.73	3,144.01
	Interest Income	(8,487.88)	(8233.47)	(6,712.12)
	Realised net (gain)/ loss on FVTPL investments	(79.75)	(43.85)	(31.25)
	Unrealised (gain)/loss on FVTPL investments	(5.15)	(1.95)	(1.68)
	Net gain on de-recognition of financial instruments under amortised cost category	-	-	(43.29)
	Discount on commercial paper	25.71	284.69	189.33
	Impairment on financial instruments	3,065.52	1441.57	636.95
	Provision for compensated absence and gratuity	15.78	16.21	10.41
	Employee share based payment expenses	13.55	11.19	15.36
	Depreciation, amortization and impairment	107.79	109.66	61.92
	Rent expenses reversal	(61.78)	(55.80)	
	Operating cash flow before working capital changes	(1,046.37)	-1210.73	(1,006.02)
	Adjustments for working capital changes:			
	(Increase)/ decrease in trade receivables	66.12	(66.76)	6.92
	(Increase)/decrease in other financial assets and others	(65.41)	(207.27)	(415.07)
	(Increase)/decrease in Loans	(4,482.17)	(4608.28)	(10,356.11)
	Increase/(decrease) in other financial and non-financial liabilities & provision	7.85	(1768.36)	(1,521.66)
	Increase/(decrease) in trade payables	184.27	(244.92)	115.42
	Interest Paid	(3,695.31)	(3296.85)	(2,893.01)
	Interest Received	8,447.48	8134.29	6,625.67
	Cash generated from operations	(583.54)	(3268.88)	(9,443.86)
	Direct taxes paid (net of refunds)	180.00	237	453.00

	Net cash flow generated from/(used in) operating activities (A)	(403.54)	(3031.88)	(8,990.86)
B	Cash flow from investing activities			
	Purchase of fixed assets	(24.64)	(72.83)	(48.40)
	Proceeds from sale of fixed assets	0.38	0.55	0.20
	Purchase of investments Mutual fund	(15,557.50)	(16678.65)	(15,490.51)
	Proceeds of investments Mutual fund	15,713.15	15547.05	15,358.10
	Net cash generated from/(used in) investing activities (B)	131.38	(1203.89)	(180.61)
C	Cash flow from financing activities			
	Proceeds from issue of shares and security premium	36.87	33.49	39.03
	Debt securities issued	10,541.10	9426	15,336.00
	Debt securities repaid	(9,378.90)	(11153)	(11,519.09)
	Borrowings other than debt securities issued	9,309.34	24679.56	12,520.00
	Borrowings other than debt securities repaid	(10,195.20)	(19302.05)	(7,765.27)
	Subordinated debt issued	356.50	743.5	900.00
	Dividend & Tax paid on dividend	-	(170.50)	(66.07)
	Net cash generated from/(used in) financing activities (C)	669.71	4257.00	9,444.60
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	397.56	21.23	273.11
	Add : Cash and cash equivalents as at the beginning of the year	355.95	334.72	61.61
	Add : Cash and cash equivalents acquired pursuant to Scheme of Amalgamation	-	-	-
	Cash and cash equivalents as at the end of the year	753.51	355.95	334.72

Note: There was no auditor's qualification

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

Note: As on March 31, 2021, the Issuer did not have any subsidiary. The standalone and consolidated financial information would be the same and the Financial Information as disclosed in Paragraph 5.11 above shall apply.

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 affect the issue of the Debentures or the investor's decision to invest / continue to invest in the Debentures.

5.14 Name of the Trustee and consents thereof:

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

IDBI Trusteeship Services Limited

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

Tel: +91 022 4080 7012

Fax: +91 22 6631 1776

E-mail: itsl@idbitrustee.com

Website: www.idbitrustee.com

Contact Person: Mr. Aditya Kapil

IDBI Trusteeship Services Limited has given its written consent for its appointment as 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 Trustee is provided in **Annexure B** of this DD.

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

CARE Ratings Limited has assigned "CARE AAA: Stable" (pronounced "CARE Triple A with stable outlook") and CRISIL Ratings 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 July 14, 2020, issued by CARE Ratings Limited and rationale dated CRISIL Ratings Limited issued by July 31, 2020, assigning the credit rating abovementioned are annexed hereto as **Annexure A**.

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 for the Debentures.

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) DRR:

As per the provisions of Section 71 of the Companies Act, 2013 read with sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from this requirement of creation of DRR 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 in the city of Mumbai, Maharashtra 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, Trust Deed, Trustee Agreement, Deed of Hypothecation and other Transaction Documents.

(c) Application Process:

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 Debentures. Subject to Applicable Law, the categories of investors eligible to subscribe to the Debentures 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. Hindu Undivided Family (HUF)
- j. Any other eligible investor authorized to invest in the Debentures.

Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.

Without prejudice to the aforesaid, where the selection of the eligible investors is required to be done pursuant to the bidding mechanism on the Electronic Platform called "EBP Platform" or any successive arrangement/platform mandated by SEBI under the SEBI Circular titled "*Electronic Book Mechanism for Issuance of Securities on a Private Placement Basis*" dated January 05, 2018 (as amended/replaced from time to time) ("**EBP Circular**") only those persons:

- 1. who have been named in the "List of Eligible Investors" as placed before and approved by the Board; and/or
- 2. who are registered on the EBP Platform and eligible to make bids for Debentures of the Company (considered as 'deemed identified'); and
- 3. to whom allocation is to be made by the Company pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the relevant circulars and directions issued by the Securities and Exchange Board of India and the relevant electronic book providers ("**EBP**");

shall be considered as "*identified persons*" to whom the Company shall make private placement of the Debentures and only such "*identified persons*" shall receive a direct communication from the Company with offer to subscribe to the Debentures and only such "*identified persons*" shall be entitled to subscribe to the Debentures(or any Tranche/Series thereof).

Where bidding process is not applicable, such shortlisted investors as may be identified by the Board prior to issuance of the offer(s)/invitation to subscribe to the Debentures, shall be considered as the "*identified person(s)*" to whom the Company can make private placement of the Debentures and only such "*identified persons*" shall receive a direct communication from the Company with offer to subscribe to the Debentures and only such "*identified persons*" shall be entitled to subscribe to the Debentures(or any Tranche/Series thereof).

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 Debentures 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.

Hosting of DD on the website of the BSE or the EBP should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated by the SEBI Debt Listing Regulations and EBP Guidelines. Investors should check their eligibility before making any investment.

The Debentures are and shall be issued on a private placement basis.

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 ("**Issue Period**"). 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 contained in the Private Placement Offer Cum Application Letter 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. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debentures. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants. All payments in respect of the Debentures shall be made by the Issuer into the bank account so specified by the applicant.

The subscription to the Debentures shall be made by the potential investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as investor on the said platform (as a one-time exercise) and also complete the mandatory KYC verification process. Potential investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

Details of size of the Issue including green shoe option, if any	Up to Rs. 7500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crores only)
Bid opening and closing date	Bid opening date: As set out in the Supplemental DD Bid closing date: As set out in the Supplemental DD
Minimum Bid lot	Rs.1,00,00,000 (Rupees One Crore only) and in the Multiples of Rs.10,00,000 (Rupees Ten Lacs only) thereafter
Manner of bidding in the Issue	As set out in the Supplemental DD
Manner of allotment in the Issue	As set out in the Supplemental DD

Manner of settlement in the Issue	As set out in the Supplemental DD
Settlement cycle	As set out in the Supplemental DD

Successful Bidders shall be required to transfer funds from bank account(s) registered with EBP to the bank account of the relevant clearing corporation to the extent of funds pay-in obligation on or before such time as specified in the operational guidelines of the relevant EBP.

Process flow of settlement:

Potential investors whose bids have been accepted by the Issuer and to whom a signed copy of the DD along with the relevant Supplemental DD and the Private Placement Offer cum Application Letter have been issued by the Issuer and who have submitted/shall submit the Application Form ("**Successful Bidders**"), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of the relevant clearing corporation of the EBP, on or prior to the Deemed Date of Allotment and before the Pay-In Cut-Off Time, the details of which will be displayed on the EBP Platform.

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by the Successful Bidders in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of relevant clearing corporation and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the clearing corporation, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of the clearing corporation shall be released into the Issuer's bank account, as intimated by the Issuer to the EBP.

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines.

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.

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:

Applications by Banks (subject to applicable law)

The application must be accompanied by copies of (i) board resolution authorizing investments and containing operating instructions or letter of authorization, if applicable or power of attorney, if applicable and (ii) specimen signatures of authorized signatories. (iii) registration certificate as may be applicable.

Applications by Corporate Bodies / Eligible Financial Institutions / Companies / Statutory Corporations / Trusts

The applications must be accompanied by copies of (i) memorandum and articles of association / trust deed / proof of constitution, as may be applicable (ii) resolution authorizing investment and containing operating instructions; (iii) specimen signatures of authorized signatories; (iv) necessary certificate for claiming exemption from deduction of tax at source on interest on application money.

Application made by Mutual Funds / Insurance Companies

The application must be accompanied by copies of (i) SEBI registration certificate / IRDA registration certificate, as may be applicable. (ii) authorised signatories list containing operating instructions along with the specimen signatures and power of attorney forwarded by the custodian of the Mutual Fund/Insurance Company. (iii) Application Form shall clearly indicate the name of the concerned scheme for which application is being made. 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 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. Notwithstanding anything contained hereinabove, 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 relevant clearing corporation, 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 monies 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

Any person who (i) makes in a fictitious name, an application to the Company for acquiring, or subscribing for any Debentures therein, or (ii) otherwise induces the Company to allot or register any transferor of Debentures therein to him or any other person in a fictitious name, shall be punishable under the extant laws. 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 Private Limited as Registrar and Transfer Agents for the Debenture issuance. The Issuer has entered into depository arrangements with NSDL and CDSL.

Debentures in Dematerialised mode

The Company will make allotment of Debentures to investors in due course after verification of the Application Form, the accompanying documents and on realization of the application money. The allotted Debentures will be credited in dematerialized form within 2 (Two) Business Days from the Deemed Date of Allotment. Investors will have to hold the Debentures 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 Debentures(i.e. investors shall have the right to hold the Debentures in physical form) at any time in the future.

Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

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, 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 Debentures in the demat account of the investors as per the details furnished in the Application Form.

Loss of Letters of Allotment / Certificates / Interest cheques / Refund cheques

Loss of Letter of Allotment / Certificates / Interest cheques / Refund cheques should be intimated to the Company along with request for duplicate issue. Relevant statute and any other conditions as may be prescribed by the Company would govern the duplicate issue.

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. Certified true copy of Memorandum and Articles of Association of the Company as amended from time to time.
2. Copy of the Application made to the BSE for grant of in-principle approval for listing of Debentures.
3. Certified true copies of resolutions of the Board of Directors passed at its meeting held on May 13, 2020 approving, *inter-alia*, the issue of Non-Convertible Debentures aggregating upto Rs. 7500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crore only)
4. Certified true copies of resolutions passed by the shareholders of the Company at the Annual General Meeting held on June 30, 2020, 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.80,000,00,00,000 (Rupees Eighty Thousand Crores Only) 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. Certified true copy of resolution passed by the shareholders of the Company at the Annual General Meeting held on June 30, 2020 authorising the Board of Directors to offer, issue and allot secured, listed, rated non-convertible debentures, in one or more Series/Tranches, aggregating up to Rs. 7500,00,00,000/- (Rupees Seven Thousand and 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 July 14, 2020 and July 31, 2020 from CARE Ratings Limited and CRISIL Ratings Limited respectively, assigning the credit rating to the Debentures.
7. Certified true copy of tripartite agreement dated July 23, 2012 between the Company, Link Intime India Private Limited (Registrar & Transfer Agent) and CDSL.
8. Consent letter issued by IDBI Trusteeship Services Limited dated May 24, 2021 to act as the Trustee to the Issue inclusion of its name in the form and context in which it appears in this Disclosure Document.
9. Trust Deed dated May 24, 2021 pursuant to which issuances would be made under this Shelf Disclosure Document.
10. Trustee Agreement dated May 24, 2021, pursuant to which the Issuer has appointed the Debenture Trustee.
11. Deed of Hypothecation dated May 24, 2021 pursuant to which the Issuer has created the Security for securing the Secured Obligations in respect of the Debentures.

B Material Contracts

1. Collection Services Agreement with HDFC Bank Limited dated November 28, 2011
2. 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.

5.20 Issue Details**The Issue**

The Company proposes to issue upto 75,000 (Seventy Five Thousand) Secured, Rated, Listed, Redeemable Non-Convertible Debentures, for cash aggregating upto Rs.7500,00,00,000/- (Rupees Seven Thousand and 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 resolutions passed under Section 180 (1)(c) and Section 180(1)(a) of the Companies Act, 2013, pertaining to borrowing of monies and creation of charge on the assets of the Company upto Rs.80,000,00,00,000/- (Rupees Eighty Thousand Crores Only), at the Annual General Meeting held on June 30,2020.
- (ii) the resolutions of its Board of Directors passed under section 179(3)(c) of the Companies Act, 2013 dated May 13, 2020 pertaining to powers of the Board to issue Debentures.
- (iii) the special resolution of its Shareholders passed on June 30, 2020, 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.7500,00,00,000/- (Rupees Seven Thousand and 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.

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 Debentures 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 Secured, Rated, Listed, Redeemable Non-Convertible Debentures (“Debentures”) for cash aggregating upto Rs.7500,00,00,000/- (Rupees Seven Thousand and 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, 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 Debentures are proposed to be listed on the WDM of the BSE within a maximum period of 4 (Four) trading days from the respective Issue Closure Date.</p> <p>In accordance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, in case of a delay by the Company in listing the Debentures beyond 4 (Four) trading days from the respective Issue Closure Date, the Company shall (i) make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the Deemed Date of Allotment till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of the Debentures.</p>
Rating of the Instrument	CARE Ratings Limited has assigned a “CARE AAA;Stable” (pronounced “CARE Triple A with stable outlook”) and CRISIL Ratings Limited has assigned a “CRISIL AAA/Stable” (pronounced “CRISIL Triple A with stable outlook”), to this long-term Debenture issue programme of upto Rs.7500,00,00,000/- (Rupees Seven Thousand and 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. 7500,00,00,000/- (Rupees Seven Thousand and 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 Paragraph 7.8(<i>Objects of the Issue and Details of the utilization of the Issue Proceeds</i>) below.

Details of the utilization of the Proceeds	As per the relevant Supplemental DD.
Interest/Coupon Rate	As per the relevant Supplemental DD. Please also refer to Note 2 below.
Step Up/Step Down Coupon Rate	As per the relevant Supplemental DD.
Step-up Option	As per the relevant Supplemental DD
Lock-in clause	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	Interest on application money will be paid to investors at the Coupon Rate 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.
Additional Interest	In case of default in payment of Coupon and/ or redemption of the principal amount of the Debentures on the respective Due Dates, additional interest of at least 2% (Two Percent) per annum over and above the Coupon Rate shall be payable by the Company for the defaulting period until the defaulted amount together with the delay penalty is paid, in compliance with the SEBI Circular dated May 27, 2019 bearing reference number SEBI/HO/MIRSD/DOS3/CIR/P/2019/68, titled " <i>Enhanced disclosure in case of listed debt securities</i> ".
Tenor	As per the relevant Supplemental DD.
Redemption Date	As per the relevant Supplemental DD.
Redemption Amount	As per the relevant Supplemental DD. Please also refer to Note 3 below.
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.	N.A
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/- (Rupees Ten Lakh only) per Debenture.
Minimum Application and in multiples of ___ Debt securities thereafter	10(Ten) Debentures and in multiples of 1 (One) Debenture thereafter.
Issue Timing	<p>Tranche/Series Opening Date : As per the relevant Supplemental DD Tranche/Series 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</p> <p>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 Debentures will be available to the investors from the respective Deemed Date(s) of Allotment. The actual allotment of Debentures 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.</p>
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the eligible investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the relevant clearing corporation, as specified in the Supplemental DD.

	For amounts payable by the Issuer to any Debenture Holder pursuant to the terms of the Transaction Documents, Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder shall be the mode of settlement.
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, ii. Sundays iii. any day which is a public holiday for the purpose of section 25 of the Negotiable Instruments Act, 1881 (26 of 1881). iv. any other day on which banks are closed for customer business in Mumbai.
Business Day Convention	If any Coupon Payment Date in respect of a relevant Tranche/ Series falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment, however, the dates of the future Coupon payments in respect of such relevant Series would be as per the schedule originally stipulated in the relevant Supplemental Disclosure Document. In other words, the subsequent Coupon payment schedule would not be disturbed merely because the payment date in respect of one particular Coupon payment has been postponed earlier because of it having fallen on non-Business Day. If the Maturity Date / Redemption Date (including the last Coupon Payment Date) or the due date in respect of liquidated damages (if any) and all other monies payable under a Supplemental DD falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment.
Manner of bidding in the issue	As per the relevant Supplemental DD.
Manner of settlement	As per the relevant Supplemental DD.
Minimum Bid lot	Rs.1,00,00,000/- (Rupees One Crore Only) and in the Multiples of Rs.10,00,000/- (Rupees Ten Lakh Only) thereafter.
Settlement cycle	As per the relevant Supplemental DD.
Manner of allotment	As per the relevant Supplemental DD.
Illustration of Bond Cashflows	To be provided as per the relevant Supplemental DD
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As set out in in Note 6 below and under the Transaction Documents.

<p>Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document / Information Memorandum.</p>	<p><u>Description of Security</u></p> <p>The Debentures being issued under this Disclosure Document shall be secured through: first and exclusive charge by hypothecation over the specific identified Receivables of the Issuer or such other security as may be identified by the Company as set out in the Deed of Hypothecation.</p> <p><u>Asset Cover and its maintenance</u></p> <p>The Company shall, during the currency of the Debentures, maintain a minimum asset cover which shall be 1.10 (One decimal point One Zero) times of the outstanding principal amount and the accrued Coupon, or such other asset cover as may be required in relation to a particular Tranche/Series under the relevant Supplemental Disclosure Document ("Asset Cover").</p> <p>Each time a new Tranche/Series of the Debentures is proposed to be issued, the Company shall, prior to the issue of such new Tranche/Series of the Debentures, provide the Trustee with a Supplemental Receivables Schedule identifying the aggregate Receivables that are charged in favour of the Trustee so as to maintain the required Asset Cover in accordance with the terms of the Trust Deed or the relevant Supplemental Disclosure Document. Each Supplemental Receivables Schedule shall form an integral part of this Deed and a first ranking and exclusive continuing charge in the nature of a hypothecation shall be deemed to be <i>ipso facto</i> created and perfected over the Receivables identified and set out therein, without requiring any further act to be done by the Company.</p> <p>Within 30 (Thirty) days from the end of each financial quarter or at such other time as may be necessary, the Company shall deliver to the Trustee, the Supplemental Receivables Schedule duly certified by a practicing chartered accountant and the managing director of the Company of aggregate Receivables hypothecated on exclusive basis in favour of the Trustee which shall provide requisite Asset Cover on the outstanding debentures under this Trust Deed and shall certify its value. It is clarified that if the value of the Hypothecated Assets identified under Schedule I of the Deed of Hypothecation and in the Supplemental Receivables Schedules (as defined in the Deed of Hypothecation) submitted from time to time gets diminished, the Company shall within 30 (Thirty) calendar days from the end of each financial quarter ("Top-Up Date") also provide the Trustee with a Supplemental Receivables Schedule identifying further Receivables (i.e. an updated list of the Loans comprising the Receivables on quarterly basis along with such other certifications in respect of the Loans constituting the Receivables as may be required by Trustee) so as to maintain the Asset Cover in accordance with the terms of the Trust Deed or the relevant Supplemental Disclosure Document. Pursuant to the Top-up, the Company shall take all steps necessary to perfect such security at its own cost including filing the necessary forms for recording</p>
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	<p>the modification of the charge with the applicable registrar of companies.</p> <p>Any substitution, addition and/or replacement of the Hypothecated Assets shall be made under the terms of the Deed of Hypothecation.</p> <p>The Company hereby undertakes that the Receivables on which charge has been created are free from any encumbrances.</p> <p><u>Release of Excess Hypothecated Assets</u></p> <p>Notwithstanding anything contained in the Deed of Hypothecation, in the event that the Hypothecated Assets are of a book value greater than that required for the maintenance of the Asset Cover, the Company shall be entitled to require the Trustee to release the excess Hypothecated Assets such that the Hypothecated Assets remaining after such release would be sufficient for maintenance of the Asset Cover ("Released Assets"). The Company shall, for such release, issue a letter to the Trustee substantially in the format set out in Schedule II of the Deed of Hypothecation describing the Hypothecated Assets to be released ("Release Request Letter").</p> <p>The Trustee shall effectuate such release by issuing a no objection letter in response to the Release Request Letter and shall also, if requested by the Company execute all such documents as may be required for such release. The Release Request Letter shall be accompanied by a certificate from the independent chartered accountant of the Company confirming to the Trustee in writing the amount of Released Assets and that the Asset Cover Ratio shall be maintained post such excess release. The Trustee shall not be required to provide any notice to or obtain any consent of the Debenture Holders for issuing the non-objection letter and releasing the excess Hypothecated Assets under the terms hereof. The Trustee shall not be liable for any consequences for having acted in terms hereof and having made such release.</p> <p>The Released Assets shall not be construed to be a part of the Security and the Company shall be entitled to deal with the Released Assets in the manner it deems fit.</p> <p><u>Creation and Perfection</u></p> <p>The Company shall execute Debenture Trust Deed and Deed of Hypothecation prior to listing of the Debentures and perfect the same by filing requisite forms with ROC within 30 (Thirty) days, or such other time as permitted under Applicable Law, of creation of charge.</p> <p>The Issuer shall cooperate with the Trustee to enable it to make necessary filings in connection with the creation of Security over the Hypothecated</p>
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	<p>Assets with the CERSAI, within the timelines as specified under Applicable Law from the date of creation of security over the Hypothecated Assets in respect of any Tranche/ Series.</p> <p>The Debentures shall be considered to be secured only in the event the Hypothecated Assets are registered with the relevant ROC or CERSAI or is independently verifiable by the Trustee.</p> <p><u>Due Diligence</u></p> <p>The Trustee shall exercise independent due diligence to ensure that the Security is free from any encumbrances in accordance with the applicable circulars / notifications issued by the SEBI including under the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), SEBI circular dated November 03, 2020 (bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) as may be amended/ updated from time to time and as also set out in detail under the terms of the Trustee Agreement.</p>
Transaction Documents	Shall mean the documents executed in relation to the issue of the Debentures and shall include the Trust Deed, the Trustee Agreement, this Shelf Disclosure Document(s), Supplemental Disclosure Document, the Private Placement Offer cum Application Letter(s), the Deed of Hypothecation and any other document that may be designated by the 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 (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer to Note 4 below.
Creation of recovery expense fund	<p>Details and purpose of the recovery expense fund</p> <p>The Issuer has created and shall maintain recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207) as may be updated/ amended from time to time.</p>

	The recovery expense fund may be utilized by the Trustee upon occurrence of an Event of Default, for taking appropriate legal actions to enforce the Security in accordance with the relevant SEBI circulars.
Conditions for breach of covenants (as specified in the Trust Deed)	As set out in detail under Note 4 below.
Provisions related to Cross Default Clause	As per the relevant Supplemental DD.
Role and Responsibilities of the Trustee	To oversee and monitor the overall transaction for and on behalf of the Debentures Holders as customary for transaction of a similar nature and size and as set out under the Transaction Documents.
Risk factors pertaining to the issue	As mentioned in Section III of this DD above.
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 Mumbai, Maharashtra.
Due diligence certificate	The Issuer shall submit the due diligence certificate provided by the Trustee for each Tranche/ Series, to BSE in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218). Such due diligence certificate will be annexed to relevant Supplemental DD for each Tranche/ Series.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee	Please refer to Annexure E below.

Note 1 – Security and Asset Cover

While the Debentures are secured to the tune of 110% (One Hundred and Ten Percent) of the outstanding principal amount and Coupon amount or as per the terms of this DD or relevant Supplemental DD, in favour of Trustee, it is the duty of the Trustee to monitor that the security is maintained, however, the recovery of 100% (One Hundred Percent) of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

The Issuer hereby undertakes that the assets on which the first ranking exclusive charge is created by the Company in favour of the Trustee to secure the obligations of the Company in relation to the Debentures

under the terms of the Deed of Hypothecation, being the Hypothecated Assets, are free from any encumbrances.

Note 2 –Coupon on coupon bearing Debentures:

a. Coupon Rate

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

Coupon for each of the Coupon Period shall be computed on an actual/actual basis on the outstanding principal amount on the relevant Tranche/Series of Debentures at the applicable Interest Rate.

c. Payment of Coupon

Payment of Coupon on the Debentures 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 Debentures in dematerialized form on such Record Date, and are eligible to receive Coupon. The first Coupon 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 Coupon 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 Coupon 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 3 –Redemption and Redemption Payments:

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.

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 4 –Events of Default and Consequences

- 1) If one or more of the events specified in Clause 7 hereinbelow happen(s) in respect of any Series/Tranches, the Trustee shall, upon request in writing of the Super Majority Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holder(s), convened in accordance with the provisions set out in the Schedule II (*Provisions for the Meetings of the Debenture Holder(s)*) of the Trust Deed, give a notice of such number of days as specified in Clause 7 in writing to the Company to remedy the relevant event, provided that no such notice will be given in case of occurrence of the event specified in Clause 7a) below.
- 2) The Trustee may send a notice to the Debenture Holders calling an event of default ("**Event of Default**") in accordance with Clause 7, by registered post/acknowledgement due or speed post/acknowledgement due or courier or hand delivery with proof of delivery as also through email as a text or as an attachment to email, followed by a written notice, with a notification including a read receipt, and proof of dispatch of such notice or email, shall be maintained.
- 3) The notice to be sent by the Trustee (as specified in Clause 2 above) shall contain the following:
 - (a) Negative consent for proceeding with the enforcement of Security;
 - (b) positive consent for signing the ICA;
 - (c) the time period within which the consent needs to be provided by the Debenture Holders, which consent is required to be given by the Debenture Holders within 15 (Fifteen) days from the date of notice; and
 - (d) the date of meeting to be convened (which meeting shall be convened within 30 (Thirty) days from the notice of the Trustee calling an Event of Default as referred to in Clause 2)).

Provided that in case the Event of Default is remedied between the date of notice and the date of meeting, then the convening of such a meeting may be dispensed with.

- 4) If the Event of Default is still continuing, then the Trustee shall take necessary action of entering into the ICA or take action as decided in the meeting of Debenture Holders, subject to the following:
 - (a) In case(s) where majority of Debenture Holders expressed their consent to enter into ICA, the Trustee(s) shall enter into the ICA, subject to the conditions set out in Clause 5 hereunder;
 - (b) The Trustee may form a representative committee of the Debenture Holders to participate in the ICA or as may be decided in the meeting of the Debenture Holders. Such a committee may comprise of the designated members representing the interest of the ISIN level Debenture Holders under the Debentures. The Representative Committee shall be responsible to take decisions which shall be binding on the specific ISIN level Debenture Holders relating to ICA matters, or take any other action as may be decided by the Debenture Holders, from time to time.

For the purpose of this Clause 4, the consent of the majority of Debenture Holders shall mean the approval of not less than 75% of the Debenture Holders by value of the outstanding Debentures and 60% of the Debenture Holders by number at the ISIN level.

- 5) The Trustee may sign the ICA and consider the resolution plan on behalf of the Debenture Holders upon compliance with the following conditions:
- (a) The signing of the ICA and agreeing to the resolution plan is in the interest of Debentures and in compliance with the Act and the rules made thereunder, the Securities Contracts (Regulations) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules, regulations and circulars issued thereunder from time to time.
 - (b) If the resolution plan imposes condition(s) on the Trustee that are not in accordance with the provisions of Companies Act, 2013 and the rules made thereunder, the Securities Contracts (Regulations) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules, regulations and circulars issued thereunder from time to time, then the Trustee shall be free to exit the ICA altogether with the same rights as if it had never signed the ICA. Under these circumstances, the resolution plan shall not be binding on the Trustee.
 - (c) The resolution plan shall be finalized within 180 (One Hundred and Eighty) days from the end of the review period. If the resolution plan is not finalized within 180 (One Hundred and Eighty) days from the end of the review period, then the Trustee shall be free to exit the ICA altogether with the same rights as if it had never signed the ICA and the resolution plan shall not be binding on the Trustee. However, if the finalization of the resolution plan extends beyond 180 (One Hundred and Eighty) days, the Trustee may consent to an extension beyond 180 (One Hundred and Eighty) days subject to the approval of the investors regarding the total timeline. The total timeline shall not exceed 365 (Three Hundred and Sixty Five) days from the date of commencement of the review period.
 - (d) If any of the terms of the approved resolution plan are contravened by any of the signatories to the ICA, the Trustee shall be free to exit the ICA and seek appropriate legal recourse or any other action as deemed fit in the interest of the Debenture Holders.
- 6) Subject to the above, the Trustee shall have the following rights:
- (a) to appoint a Nominee Director as per Clause 9 below;
 - (b) initiating any enforcement action including without limitation Insolvency and Bankruptcy Code, 2016 (wherever applicable);
 - (c) levy additional interest;
 - (d) exercise any other right that the Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law.
- 7) The following events may be called by the Trustee as Events of Default in the manner as stated in Clause 2, after the expiry of the relevant time period:
- a) Non-payment on Due Date of any amount payable pursuant to this Trust Deed, in respect of any Series/Tranche of Debentures;

- b) If not rectified within 30 (Thirty) days from the date of receipt by the Company of a notice from the Trustee in relation thereto or the Company having obtained actual knowledge thereof, whichever is earlier:
- (i) other than Clause 7)a), there is a delay in the performance or breach of any covenant, condition or provision contained in these presents and/or the Financial Covenants and Conditions, except where such delay or breach is in the opinion of the Trustee incapable of remedy and no notice shall be given by the Trustee in such a case;
 - (ii) 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;
 - (iii) the Company ceases or threatens in writing to cease to carry on its business or any substantial part thereof or gives notice of its intention to do so;
 - (iv) except as permitted in this Deed, if, without the prior written approval of the Trustee, the Hypothecated Assets or any part thereof is disposed of, charged, encumbered or alienated;
 - (v) the value of the Hypothecated Assets is insufficient to maintain the Asset Cover and Company fails to maintain the Asset Cover within the stipulated timelines in the Deed of Hypothecation;
 - (vi) in the reasonable opinion of the Trustee, acting on the instructions of the Super Majority Debenture Holder(s), the Security offered for the Debentures is in jeopardy. It is hereby clarified that the Security created to secure the obligations of the Company in relation to the Debentures, shall be considered to be in jeopardy, only in the event that any attachment or distraint is levied in respect of the Hypothecated Assets;
 - (vii) 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 Trustee is intentionally misleading or incorrect in any material respect;
 - (viii) 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;
 - (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) Any process or petition for expropriation, attachment, sequestration, distress or execution affecting the Hypothecated Assets or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company which has not been rejected/ discharged/ dismissed/ reversed or settled within 30 (Thirty) calendar days or as given in the said order; or
 - (xi) If any material breach of terms of the relevant Disclosure Document(s) pertaining to any Series/Tranche of Debentures is committed by the Company.

- c) The Company admits, in writing, its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;
 - d) When an order has been made by the tribunal or a special resolution has been passed by the members of the company for winding up of the company;
 - e) The Company ceases or threatens in writing to cease to carry on its business or gives notice of its intention to do so.
- 8) If any Event of Default (as set out in Clause 7 above) or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Company shall, forthwith give notice thereof to the Debenture Holders of each Series/Tranches in which such Event of Default has occurred/Trustee in writing specifying the nature of such Event of Default, or of such event.

9) **NOMINEE DIRECTOR**

The Trustee shall have a right to appoint a nominee director on the Board of Directors of the Company (hereinafter referred to as "**the Nominee Director**") in accordance with the provisions of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 in the event of:

- (a) 2 (Two) consecutive defaults in payment of Coupon to the Debenture Holder(s) by the Company; or
- (b) Any default on the part of the Company in redemption of the Debentures;
- (c) Any default in the creation of Security;

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares.

Note 5 –Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder(s) whose names appear on the list of Beneficial Owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company to the registered Debenture Holder(s) whose name appears in the register of Debenture Holder(s) on the Record Date. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

Note 6- Covenants**I. Affirmative and Information Covenants**

The Company hereby covenants with the Trustee that the Company shall, (except as may otherwise be previously agreed in writing by the Trustee (acting upon the instructions of the Majority Debenture Holders), undertakes to comply with the following covenants:

(a) Utilisation of proceeds of Debentures

The Company shall utilise the monies received upon subscription of the Debentures solely towards the Purpose. The Company also agrees to submit to the Trustee an annual 'end-use certificate' from the statutory auditor of the Company certifying the compliance with the same, within 60 (Sixty) days from the end of each financial year till the monies received towards subscription of the Debentures have been fully utilized towards the Purpose.

(b) Validity of Transaction Documents

The Company shall ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Company.

(c) Make the Relevant filings with the Registrar of Companies/SEBI

Pursuant to the Act and the relevant rules thereunder, the applicable guidelines issued by SEBI and RBI, the Company undertakes to make the necessary filings of the documents mandated therein with the Registrar of Companies and/or the Exchange within the timelines thereunder to preserve, renew and keep in full force and effect its existence and/or its rights necessary for the operation of its business and/or the legality and validity of any Transaction Documents and/or the transactions contemplated by the Transaction Documents.

- (d) The Company shall ensure that the minimum investment made in any single tranche by any investor is at least Rs.1,00,00,000/- (Rupees One Crore only).

(e) Compliance with laws

The Company shall comply with:

- (i) all laws, rules, regulations and guidelines as applicable in respect of the Debentures, including but not limited, to the following: (i) the Act; (ii) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (iii) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures; (iv) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and (v) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other notified rules under the Act.
- (ii) comply with all the applicable provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 to the extent the same is required to be

complied with by the Trustee or is required in order to enable the Trustee to comply with the same, the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time, as may be applicable to the Company.

- (iii) The Company shall, while submitting half yearly/ annual financial results to the Stock Exchange disclose *inter alia* the following line items along with the financial results accompanied by a certificate from the Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half-yearly basis:
- A. Credit rating of the Issue and change in credit rating, if any;
 - B. Debt- equity ratio of the Company;
 - C. Previous due date for the payment of interest/ repayment of principal and whether the same has been paid or not;
 - D. Next due date of payment along with the amount of interest/ principal along with the amount of interest payable;
 - E. Debenture Redemption Reserve (if applicable);
 - F. Net worth;
 - G. Net profit after tax;
 - H. Earnings per share; and
 - I. A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures.

(f) **Notify the Trustee**

The Company shall provide / cause to be provided information in respect of the following events:

- (i) notify the Trustee in writing, of any proposed change in the nature or conduct or scope of the business or operations of the Company, prior to the date on which such action is proposed to be given effect.
- (ii) inform the Trustee of any major change in the composition of the Board of Directors of the Company which may amount to a change in control (as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);
- (iii) Inform the Trustee promptly of any amalgamation, merger or reconstruction scheme proposed by the Company.
- (iv) The Company agrees that it shall forward to the Trustee promptly, whether a request for the same has been made or not:
 - A. a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Profit & Loss Account and of all periodical and special reports at the same time as they are issued;
 - B. a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities; and

- C. a copy of all the notices, call letters, circulars, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media.

(g) Furnish Information to Trustee

Give to the Trustee or their nominee(s) (and to the Debenture Holder(s), if so requested), information in respect of the following events:

- (i) Furnish quarterly (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline) report to the Trustee (and to the Debenture Holders), containing the following particulars: -
 - A. Periodical status/performance reports from the Company within 7 (Seven) days of the relevant board meeting or within 45 (Forty Five) days of the respective quarter, whichever is earlier;
 - B. Updated list of the names and addresses of the Debenture Holder(s);
 - C. Details of the principal and the Coupon to be made, but unpaid and reasons for the non-payment thereof;
 - D. The number and nature of grievances received from the Debenture Holder(s) and (a) resolved by the Company, (b) unresolved by the Company to the satisfaction of the Debenture Holder(s) and the reasons for the same;
 - E. A statement by the authorised signatory of the Company:
 - 1. that the assets of the Company which are available as Hypothecated Assets is/are sufficient to discharge the claims of the Debenture Holder(s) as and when they become due; and
 - 2. that the receivables constituting the Hypothecated Assets have not been charged or hypothecated in favour of any other party except the Trustee and that they are free from any other encumbrances;
 - F. Statement that the quarterly compliance report on corporate governance (if applicable) has been submitted to the Exchange, in the format prescribed by SEBI, within the time lines prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (ii) The Company shall provide to the Trustee such information as it may require for any filings, statements, reports that the Trustee is required to provide to any governmental authority under Applicable Law.
- (h)** At the request of any Debenture Holder(s), the Trustee shall, by notice to the Company, call upon the Company to take appropriate steps to redress grievances of the Debenture Holder(s) and shall, if necessary, at the request of the Debenture Holder(s) representing not less than one-tenth in value

of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holder(s).

The Company shall also promptly furnish to the Debenture Trustee the details of all the grievances received by them and shall comprise the following:

- (i) Names of the complainants/Debenture Holders.
- (ii) Nature of grievances/complaints.
- (iii) Time taken for redressal of complaint/grievances etc.
- (iv) The steps taken by the Company to redress the same.

The Company shall promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Trustee and shall advise the Trustee periodically of its compliance. All grievances relating to the Issue may be addressed to the compliance officer of the Company ("**Compliance Officer**") giving full details such as name, address of the applicant, date of the application, application number, number of Debentures applied for, amount paid on application and the place where the application was submitted. The Company shall make best efforts to settle investor grievances expeditiously and satisfactorily within 30 (Thirty) days from the date of receipt of such complaint. In case of non-routine complaints and where external agencies are involved, the Company shall make best endeavours to redress these complaints as expeditiously as possible. The Compliance Officer of the Company may also be contacted in case of any pre-issue/post issue related problems

- (i) The Company shall provide or cause to be provided the 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 to the Trustee within the timelines as mentioned in the Uniform Listing Agreement as prescribed in SEBI's circular no. CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual results;
- (j) The Company shall keep the Hypothecated Assets adequately insured and in a proper condition.
- (k) The Company shall provide or cause to be provided, within 180 (One Hundred and Eighty) days from the end of the financial year, a copy of the latest annual report and the latest audited financial statements to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all Debenture Holders within 2 (Two) working days of their specific request;
- (l) The Company shall carry out subsequent valuation of the Hypothecated Assets, at the request of the Trustee.
- (m) The Company shall submit the following disclosures to the Trustee in electronic form (soft copy) at the time of allotment of the Debentures:
 - (i) Memorandum and Articles of Association and necessary resolution(s) for the allotment of the Debentures;
 - (ii) Copy of last three years' audited Annual Reports;

- (iii) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (iv) 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;
- (v) An undertaking to the effect that the Company would, till the redemption of the debt securities, submit the details mentioned in point (iv) above to the 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 Company shall submit a copy of the latest annual report to the Trustee, as and when the same is submitted to the Stock Exchange within the timeframe permitted under Applicable Law.
- (n) The Company shall, on half yearly basis, submit a half-yearly certificate by the statutory auditor, regarding maintenance of Asset Cover, including compliance with all the covenants, in respect of the Debentures, along with the half-yearly financial results.
- (o) The Company shall promptly submit any information, as required by the Trustee including but not limited to the following:-
 - (i) by no later than 30 (thirty) days from the relevant Deemed Date of Allotment, a certificate signed by an authorised officer of the Company confirming credit of dematerialized Debentures into the depository accounts of the Debenture Holder(s) within the time lines prescribed by the Applicable Laws;
 - (ii) intimations regarding :
 - A. any revision in the rating;
 - B. any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;
 - C. failure to create the Security;
 - D. all covenants of the Issue (including side letters, accelerated payment clause, etc.);
 - E. a breach of covenants/ terms of the Issue by the Company;
 - F. any legal proceeding pending or threatened, investigation, regulatory notices or judicial orders against the Company, or any dispute between the Company and/or any Governmental Authority, which could result in a Material Adverse Effect or affecting the Hypothecated Assets;
- (p) **Transfer of Unclaimed Redemption Amounts.**

Comply with the provisions of the Act relating to transfer of unclaimed redemption and Coupon amounts of the Debentures to Investor Education and Protection Fund ("IEPF"), if applicable to it.

(q) **Financial Covenants and Conditions**

At all times during the term of these presents comply with each of the Financial Covenants and Conditions.

- (r) The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable to it, as if they are actually incorporated in the Trust Deed;
- (s) Within 15 (Fifteen) Business Days of receipt of a request from the Trustee, the Company shall authenticate any information relating to the Debentures, to be submitted by the Trustee with the Information Utility.
- (t) The Company shall submit to the Trustee, such information as may be required by the Trustee from time to time for the effective discharge of its duties and obligations.
- (u) The Company shall submit the following reports/ certification to the Trustee within the timelines mentioned below:

Reports/Certificates	Timelines for submission Requirements to Trustee
Asset Cover Certificate in the format prescribed under Annexure A of SEBI Circular dated November 12, 2020 and bearing reference number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230	Quarterly basis within 45 days from end of each quarter or within such timelines as prescribed under Applicable Law.

- (v) The Company shall cooperate with the Trustee to enable it to make necessary filings in connection with the creation of Security over the Hypothecated Assets with the CERSAI, within 30 (Thirty) calendar days from the date of creation of security over the Hypothecated Assets in respect of any Tranche/ Series.
- (w) The Company shall submit a due diligence certificate issued by the Trustee in respect of the Security for each Tranche/ Series, in the applicable format prescribed under Annexure A of the SEBI circular dated November 03, 2020 (bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) to the Stock Exchange, on or prior to issuing the Shelf Disclosure Documents and each of the Supplemental Disclosure Document.
- (x) The Company shall carry on and conduct its business with due diligence and efficiency and in accordance with sound operational, technical, managerial and financial standards and business practices with qualified and experienced management and personnel.
- (y) Access and Inspection

The Company shall:

- (i) permit the Trustee to examine the relevant books and records of the Company upon reasonable prior notice and at such reasonable times and intervals as the Trustee may reasonably request.
- (ii) permit the Trustee and the representatives of the Debenture Holder(s), upon prior written notice, to visit and inspect any of the premises where its business is conducted and to have access to its relevant books of account and records in relation to the Issue and to enter into or upon and to view and inspect the state and condition of all the Hypothecated Assets, together with all records, registers relating to the Hypothecated Assets.
- (iii) give to the Trustee such information as they shall require as to all matters relating to the business, property and affairs of the Company and at the time of the issue thereof to the shareholders of the Company furnish to the Trustee, 3 (three) copies of every report, balance sheet, profit and loss account, circulars or notices, issued to the shareholders and the Trustee shall be entitled, if it thinks fit, from time to time, to nominate a firm of chartered accountant to examine the books of account, documents and property of the Company or any part thereof and to investigate the affairs of the Company and the Company shall allow any such accountant to make such examination and investigation and shall furnish them with all such information as they may require and shall pay all costs, charges and expenses of and incidental to such examination and investigation;
- (z) The Company shall keep proper books of account as required by the Act and make true and proper entries of all dealings and transactions of the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating the business of the Company shall at all reasonable times be open for inspection of the Trustee and such Person or Persons as the Trustee shall, from time to time, in writing for the purpose, appoint.
- (aa) The Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable including in relation to the Issue and the Hypothecated Assets and when required by the Trustee produce the receipts for such payments and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company in respect of or any part of the Hypothecated Assets.
- (bb) The Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay in relation to the Debentures issued under the Trust Deed according to the laws for the time being in force in the State of Maharashtra, and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustees on demand.
- (cc) The Company shall reimburse all reasonable and actual sums paid or expenses incurred by the Trustees or any receiver, attorney, manager, agent or other Person appointed by the Trustees for all or any of the purposes mentioned in these presents within 15 (Fifteen) days of receipt of a notice of

demand from them in this behalf. Until payment or reimbursement of all such sums, the same shall be a charge upon the Hypothecated Assets in priority to the charge securing the Debentures.

- (dd) The Company shall ensure that the Debentures are rated by the Rating Agencies and continue to be rated by the Rating Agencies until their redemption.
- (ee) Notify the Trustee
 - (i) Promptly inform the Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the Act or the Insolvency and Bankruptcy Code, 2016 or any other notice under any other act relation to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company and/affecting the title to the Company's properties or if a receiver is appointed in respect of any of its properties or business or undertaking;
 - (ii) Promptly inform the Trustee on the happening of any event which is likely to cause/ has caused Material Adverse Effect;
 - (iii) Promptly after the Company obtains knowledge thereof, notice of the occurrence of any event which constitutes an Event of Default specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;
 - (iv) Promptly inform the Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of god, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;
 - (v) Promptly inform the Trustee of the happening of any shut-downs, fires or any event likely to have a substantial effect on the Company's profits or business and of any material changes in the rate of production or sales of the Company with an explanation of the reasons therefor;
 - (vi) Promptly inform the Trustee of all orders, directions, notices, of court/tribunal affecting or likely to affect the Hypothecated Assets or any part thereof.
- (ff) **Preserve Corporate Status**

The Company shall diligently preserve its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and that it will comply with each and every term of the said franchises and concessions and all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Hypothecated Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures or the Security of the Debentures is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed;

(gg) Further Assurances

The Company shall:

- (i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Trustee;
- (ii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it lawfully to enter into and perform its obligations under the Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Trust Deed; and
- (iii) comply with all Applicable Laws (including but not limited to environmental, social and taxation related laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time under any Applicable Laws.

II. Negative Covenants

The Company hereby covenants that, the Company shall not, for so long as any amount remains outstanding under the Debentures (except as may otherwise be intimated to the Trustee in writing or previously agreed to in writing by the Trustee (acting upon the receipt of the prior written approval of the Majority Debenture Holder(s)), as specified below, perform any of the following actions:

- a) The Company shall not, without the prior written consent of the Trustee, declare or pay any dividend to its shareholders during any Financial Year unless it has paid the installment of principal and Coupon then due and payable on the Debentures or has made provision satisfactory to the Trustee for making such payment. Further, the Company shall not, without prior consent of the Trustee, so long as an Event of Default has occurred or is continuing, declare or distribute dividend to the shareholders in any year, until the Company has paid or made satisfactory provision for the payment of the principal and Coupon due on the Debentures.
- b) Except as provided in the Trust Deed, the Company shall not sell or dispose of the Hypothecated Assets or any part thereof or create thereon, any mortgage, lien or charge by way of hypothecation, pledge or otherwise howsoever or other encumbrance of any kind; and
- c) The Company shall not, without prior intimation in writing to the Trustee, undertake or permit any merger, consolidation, reorganisation, amalgamation, reconstruction, consolidation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

Capitalised terms used in this section, but not defined herein, shall have the meaning as assigned to such term in the Trust Deed.

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. 25-05-2016*:

- (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.

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 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 Trustee intend to enter into the Trustee Agreement and the Trust Deed

inter alia, specifying the powers, authorities and obligations of the Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the 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 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 Company to the Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Trustee will protect the interest of the Debenture Holder(s) in regard to the payment of interest on Debentures and the Trustee will take necessary action, subject to and in accordance with the Trustee Agreement and the Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Company unless the Trustee, having become so bound to proceed, consistently fails to do so. The Trustee Agreement and the 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 Company 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 Debentures 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 Debentures held by any person resident in India. In the event of rematerialisation of the Debentures, or Debentures held by person resident outside India or a change in Applicable Law governing the taxation of the Debentures, the following provisions shall apply.

- (b) In the event the Debentures 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 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 Debentures, investors should get in touch with their tax consultant.

7.8 Objects of the Issue and Details of the utilization of the Issue Proceeds

The funds raised by the issue of Debentures shall be utilized by the Company, to augment the resources of the Company for regular business activities including its financing / lending activities, working capital and general corporate purposes in compliance with the provisions of Applicable Laws.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

The net proceeds from the Issue shall not be used in contravention of the RBI policy applicable to banks on investment in NBFCs.

No part of the proceeds of the Debentures would be utilized by the Issuer directly/indirectly towards investment in capital markets and real estate purposes including without limitation for acquisition or purchase of land.

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

The Company shall, subject to Applicable Law and the Supplemental Disclosure Document(s) in respect of the relevant Tranche/ Series of the Debentures at any time and from time to time, have the power exercisable at its sole and absolute discretion to purchase some or all of the relevant Tranche/ Series of the Debentures held by the Debenture Holder(s) at any time prior to the specified date(s) of redemption from the open market or otherwise. Such buy-back/purchase of relevant Tranche or Series of the Debentures may be at par or at discount / premium to the face value at the sole discretion of the Company and maybe done either on a pro rata basis or by lot or by any other manner whatsoever, as the Company may deem fit. The Trustee (for and on behalf of the Debenture Holders) hereby irrevocably gives its consent to the Company for such buy back/purchase of the relevant Tranche/ Series of the Debentures. The relevant Tranche/ Series of the Debentures so purchased may, at the option of the Company and subject to Applicable Laws, be cancelled, held, consolidated or resold.

Where the Company has repurchased / redeemed any such relevant Tranche or Series of the Debentures, if permissible under and subject to the provisions of the Applicable Laws, the Company shall have and shall be deemed always to have had the right to keep such relevant Tranche or Series of the Debentures 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 relevant Tranche or Series of the Debentures, either by reissuing the same relevant Tranche or Series of the Debentures or by issuing other Debentures 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 Consolidation of ISINs

- (a) So long as the terms and conditions of the existing securities of the Company (under the respective issues) in the International Securities Identification Number (ISIN) are not revised (i) otherwise than as may be required/permitted by regulations; or (ii) which results in breach of or violation of the regulations from time to time, which specifically precludes such revision, subject to Applicable Laws, the Company reserves the right/is entitled to add additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time under such terms and conditions, which may / may not be different from the existing securities under the respective issues under the same ISIN. Such additional securities and their terms may be such as are permitted by regulations or not specifically precluded by regulations from time to time. Further, such

additional securities may be issued from time to time at such issue price, either at par or at premium or at discount to arrive at the contracted effective yield from time to time.

- (b) The securities listed by the Company under the terms of the respective transaction documents (including any Debentures issued by the Company hereunder under the terms of the respective Supplemental Disclosure Document) be redeemed before the respective maturity date by the Company, as per the financial or other terms as may have been mutually agreed upon between the Company and the security holder (or in accordance with Clause **Error! Reference source not found.** (*Redemption*) above in respect of an early redemption of any Debentures issued under any Supplemental Disclosure Document). The said redemption maybe done either on a pro rata basis or by lot or by any other manner whatsoever, as the Company may deem fit.
- (c) The Trustee (for and on behalf of the Debenture Holders) hereby irrevocably gives its consent to the Company to:
 - (i) add such additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time under such terms and conditions, which may / may not be different from the terms of securities under the respective issues existing under the said ISIN.
 - (ii) select any of the listed securities in the ISIN for redemption as the Company may solely deem fit either by pro rata basis or by lot or by any other manner whatsoever, as the Company may deem fit, before maturity, from time to time.

7.11 Modification of Rights:

The Trustee shall concur with the Company in making any modifications in this DD which is essential and in the opinion of the Trustee would not be materially prejudicial to the interests of the Debenture Holder(s), and to any modification of the terms of the Debentures or any of the other Transaction Documents which is of a formal, minor or technical nature or is to correct a manifest error.

7.12 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 Debenture Holder(s). The rights, privileges and conditions attached to the Debenture(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 Debenture Holders of that Series/Tranche of Debentures. 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 Trustee and the Issuer may agree to make any modifications in this Disclosure Document or any Supplemental DD which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error.

7.13 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 or by email or by facsimile to the sole / first allottee or sole/first registered Debenture Holder as the case may be at its address registered with the Company. Provided however, that in case of a notice delivered by facsimile or e-mail, the Company shall also deliver a copy of the same by hand, registered mail/speed post (postage prepaid) or through a recognized overnight courier service.

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 or by email or by facsimile 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. Provided however, that in case of a notice delivered by facsimile or e-mail, the Debenture Holder shall also deliver a copy of the same by hand, registered mail/speed post (postage prepaid) or through a recognized overnight courier service.

7.14 Transfers:

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

7.15 Letters of Allotment

The letter of allotment, indicating allotment of the Debenture, will be credited in dematerialised form within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debenture, in dematerialised form, within the same period of 2 (Two) Business Days from the Deemed Date of Allotment.

7.16 Record Date

The Record Date will be 15 (Fifteen) calendar days prior to any due date.

7.17 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 Debentures, 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 Debentures 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 Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the Applicable Law.

7.18 Effect of Holidays

If the Coupon Payment Date falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the Due Date for such payment. If the redemption proceeds (including the last Coupon Payment Date) or the due date in respect of all other monies payable under the Trust Deed falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the Due Date for such payment.

7.19 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.

SECTION - VIII DECLARATION

- a. The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- b. The compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the Offer shall be used only for the purposes and objects indicated in the Shelf Disclosure Document;

I am authorized by the Board of Directors of the Company vide resolution number 16 dated May 13, 2020 to sign this Shelf Disclosure Document and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of Shelf Disclosure Document and matters incidental thereto have been complied with. Whatever is stated in Shelf Disclosure Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of Shelf Disclosure Document has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to Shelf Disclosure Document.

For HDB Financial Services Limited

Authorised Signatory

Name : Haren Parekh
Title : Chief Financial Officer
Date : May 25, 2021

ANNEXURE A

CREDIT RATING RATIONALE

Press Release			
HDB Financial Services Limited			
July 14, 2020			
Ratings			
Facilities	Amount (Rs. crore)	Ratings ¹	Rating Action
Non-Convertible Debentures	7,500.0 (Rs. Seven Thousand Five Hundred Crore Only)	CARE AAA; Stable (Triple A; Outlook: Stable)	Assigned
Non-Convertible Debentures	32,235.00 (reduced from 47,843.80) (Rs. Thirty Two Thousand Two Hundred & Thirty Five Crore Only)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Bank Loan Ratings	30,000 (enhanced from 25,000) (Rs. Thirty Thousand Crore Only)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Market Linked Debentures	3,000 (Rs. Three Thousand Crore Only)	CARE PP-MLD AAA; Stable (PP-MLD Triple A; Outlook: Stable)	Reaffirmed
Subordinate Debt	3,500 (Rs. Three Thousand Five Hundred Crore Only)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Perpetual Debt	1,000 (Rs. One Thousand Crore Only)	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Commercial Paper	12,500 (Rs. Twelve Thousand Five Hundred Crore Only)	CARE A1+ (A One Plus)	Reaffirmed

Details of instruments/facilities in Annexure-1

**At the company's request, CARE has reduced the NCD rated amount to Rs.32,235 crore on account of maturities/redemptions. Also, on its request, CARE has enhanced the rated amount for Bank Facilities to Rs. 30,000 crore.*

Detailed Rationale & Key Rating Drivers

The ratings factor in the strength that HDB Financial Services Ltd (HDBFS) derives from its parent, HDFC Bank Ltd (HBL; rated 'CARE AAA; Stable', 'CARE A1+'), in the form of financial and operational support. The ratings are also supported by sound financial performance as well as comfortable albeit weakening asset quality and adequate capitalization of HDBFS. The ratings also take into consideration HDBFS's diversified resource profile, experienced management and its strong liquidity position. Continued support from HBL, credit profile of HBL, asset quality, capital adequacy and profitability of HDBFS are key rating sensitivities.

CARE ratings would closely monitor the asset quality and collection efficiency of HDBFS going forward owing to the nationwide lockdown due to COVID-19 outbreak and moratorium extended by the company.

Rating Sensitivities: Factors that could lead to negative rating action/downgrade

- Any reduction of the depth and scope of support from HBL
- Deterioration in credit profile of HBL
- Moderation in capital buffers with considerable fall in Capital Adequacy Ratio
- Deterioration in asset quality parameters on a sustained basis

Detailed description of the key rating drivers

Key Rating Strengths

Financial & managerial support and operational linkages with HDFC Bank

HDBFS has strong financial and operational linkage from HBL (rated 'CARE AAA; Stable', 'CARE A1+'). HBL owns significant majority of shareholding (95.30% as on March 31, 2020) in HDBFS. Senior personnel from HBL have representation on Board of Directors of HDBFS as well as various Board level committees. HDBFS has strong brand linkages with the group. HDBFS also supports HBL for sourcing and collection of latter's retail loan portfolio.

Good financial performance albeit some moderation in FY20

Portfolio of HDBFS has shown strong growth over the last five years, registering a CAGR of 25%. In FY20, the AUM increased by 6% to Rs.38,833 crore as on March 2020. With an increase in AUM, the total income for FY20 also increased by 23% to

¹Complete definition of the rating assigned are available at www.careratings.com and other CARE publications.

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CARE Ratings Limited



Rs.10,737 crore. The company's PAT declined 12.83% y-o-y to Rs.1,005 crore in FY20, due to higher provisioning in FY20. The company made higher provisions/credit costs of Rs.1,442 crore in FY20 from Rs.637 crore in FY19. Given the uncertainties and its potential impact on the macro and micro factors, the company has made provisions mainly to account for increased slippages owing to the adverse effects of lockdown due to the COVID-19 pandemic. The company's profitability metrics moderated in FY20 with ROTA of 1.73% in FY20 as compared to 2.28% in FY19 and RONW declined to 13.98% in FY20 from 18.42% in FY19. Operating expenses to average total assets has increased to 6.29% in FY20 from 3.89% in FY19.

Sound asset quality impacted by change in regulations
 The company's asset quality parameters took a one time hit in FY20 due to change in the regulations related to non-performing assets classification, which contributed towards increase in Gross and Net NPA to 3.87% and 3.19% respectively as on March 31, 2020 from GNPA of 1.83% and NNPA of 1.26% as on March 31, 2019. Moreover, poor economic conditions and higher delinquencies across sectors also contributed to additional slippages. Net NPA to tangible net-worth increased to 24% as on March 31, 2020 as against 10% as on March 31, 2019. The company's provision coverage ratio as on March 31, 2020 stood at 19.41% down from 39.24% as on March 31, 2019.

Comfortable capitalization
 The company has been maintaining comfortable capitalization levels and reported tangible net worth of Rs.7,394 crore as on March 31, 2020. Regular capital infusion by HBL in the past and internal accruals has helped HDBFS to maintain comfortable capital adequacy ratio (CAR) which stood at 19.36% with Tier-I CAR at 13.96% as on March 31, 2020 (FY19: CAR – 17.91%, Tier-I CAR – 12.78%). Moreover, the company's gearing levels improved to 6.86% at end-FY20 from 7.04% at end-FY19.

Healthy share of secured loan portfolio
 HDBFS offers secured loans - loan against property (LAP), commercial vehicle & construction equipment financing (CV & CE), gold loans, loan against securities and unsecured loan – personal loan. Secured loan portfolio stood at 76.44% of total portfolio as on March 31, 2020 (FY19- 79.73%). Broadly, the company's loan portfolio is diversified with ~40% of the portfolio into SME, another ~40% is Asset Financing (which includes Tractors / Used CVs / New CVs / CEs) and the remaining ~20% in Personal unsecured loans. Moreover, the lending book is granular in nature with average ticket size between 7-8 Lakhs and the 20 largest borrowers accounting for 0.36% of the book as on March 31, 2020 (FY19: 0.46%).

Analytical approach: CARE has analyzed the standalone credit profile of HDBFS along with its strong operational and managerial linkages with its parent HDFC Bank Ltd.

Applicable Criteria
[Criteria on assigning Outlook to Credit Ratings](#)
[CARE Policy on Default Recognition](#)
[Non Banking Financial Companies](#)
[Financial ratios - Financial Sector](#)
[Factor Linkages in Rating](#)
[CARE's criteria on Short Term Instruments](#)

Liquidity Position - Strong
 HDBFS has been able to manage its liquidity profile by maintaining adequate liquid investments and back up lines of credit. Further, the company has been able to maintain adequate collection efficiency which ensures regular cash inflows from its loan portfolio. The overall liquidity profile of the company remains sound with positive cumulative mismatch in the one-year time bucket as per ALM statement on March 30, 2020. Additionally, the company draws comfort from unutilized bank lines and liquid investments of Rs. 6,179 crore as on April 30, 2020. It also enjoys strong financial flexibility being subsidiary of HBL.

About the Company
 HDB Financial Services Ltd (HDBFS) is a subsidiary of HDFC Bank (HBL) with shareholding of 99.30% as on March 31, 2020. HDBFS was incorporated in June 2007 and commenced its lending operations in March 2008. HDBFS continues to benefit from HBL's experience in the financial sector. The operations of the company are handled by Mr. G Ramesh, Managing Director, who is assisted by a team of qualified and experienced professionals. In addition, HDBFS has the advantage of leveraging on the expertise of senior management of HBL which has representation on the board of HDBFS. HDBFS is a lending company which offers various retail loans like Loan against property (LAP), Commercial Vehicle (CV) and Construction Equipment (CE) financing, gold loan, personal loans, etc. The company operates through network of 1,468 operational branches (as on March 31, 2020), located in 1,070 cities. The company is a corporate agent for HDFC Standard Life Insurance Company and HDFC Ergo General Insurance to distribute their insurance products.

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Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	6,712	8,234
PAT	1,153	1,005
Interest coverage (times)	1.52	1.36
Total Assets	55,707	60,714
Net NPA (%)	1.26	3.19
ROTA (%)	2.28	1.73

A: Audited (Figures as per Ind AS)

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Type of Instrument	ISIN	Date of issuance	Maturity Date	Size of issue (Rs. Cr.)	Rating assigned along with Rating Outlook
Bank Facilities				30,000.00	CARE AAA; Stable
NCD	INE756I07BC3	26 Apr 17	26 May 20	135	CARE AAA; Stable
NCD	INE756I07BE9	11 May 17	11 Jun 20	100	CARE AAA; Stable
NCD	INE756I07BF6	11 May 17	8 Jul 20	125	CARE AAA; Stable
NCD	INE756I07BG4	18 May 17	18 Jun 20	100	CARE AAA; Stable
NCD	INE756I07BH2	29 May 17	29 Jun 20	300	CARE AAA; Stable
NCD	INE756I07BJ8	13 Jun 17	12 Jun 20	200	CARE AAA; Stable
NCD	INE756I07BK6	19 Jun 17	19 Jun 20	375	CARE AAA; Stable
NCD	INE756I07BL4	18 Jul 17	17 Aug 20	500	CARE AAA; Stable
NCD	INE756I07BM2	27 Jul 17	28 Sep 20	400	CARE AAA; Stable
NCD	INE756I07BP3	8 Sep 17	8 Sep 20	400	CARE AAA; Stable
NCD	INE756I07BQ3	20 Sep 17	20 Oct 20	400	CARE AAA; Stable
NCD	INE756I07BR1	18 Oct 17	18 Nov 20	500	CARE AAA; Stable
NCD	INE756I07BT7	6 Dec 17	7 Dec 20	800	CARE AAA; Stable
NCD	INE756I07BU5	15 Jan 18	15 Apr 21	145	CARE AAA; Stable
NCD	INE756I07BV3	16 Mar 18	10 May 21	373	CARE AAA; Stable
NCD	INE756I07BW1	16 Mar 18	6 Apr 21	299	CARE AAA; Stable
NCD	INE756I07BX9	1 Jun 18	8 Jun 21	663	CARE AAA; Stable
NCD	INE756I07BY7	27 Jun 18	7 Jul 21	215	CARE AAA; Stable
NCD	INE756I07CA5	11 Jul 18	12 Jul 21	575	CARE AAA; Stable
NCD	INE756I07CB3	16 Aug 18	14 Aug 20	360	CARE AAA; Stable
NCD	INE756I07CC1	31 Aug 18	9 Sep 21	552	CARE AAA; Stable
NCD	INE756I07CD9	17 Oct 18	29 Oct 21	701	CARE AAA; Stable
NCD	INE756I07CE7	26 Oct 18	25 Mar 22	448.5	CARE AAA; Stable
NCD	INE756I07CF4	2 Nov 18	15 Jun 20	385	CARE AAA; Stable
NCD	INE756I07CI8	3 Dec 18	5 Apr 22	500	CARE AAA; Stable
NCD	INE756I07CJ6	21 Dec 18	5 Apr 22	361.2	CARE AAA; Stable
NCD	INE756I07BF6	28 Dec 18	8 Jul 20	125	CARE AAA; Stable
NCD	INE756I07BK6	28 Dec 18	19 Jun 20	285	CARE AAA; Stable
NCD	INE756I07BF6	10 Jan 19	8 Jul 20	200	CARE AAA; Stable
NCD	INE756I07CJ6	10 Jan 19	10 Aug 20	245	CARE AAA; Stable
NCD	INE756I07BQ3	23 Jan 19	20 Oct 20	200	CARE AAA; Stable



Type of Instrument	ISIN	Date of issuance	Maturity Date	Size of issue (Rs. Cr.)	Rating assigned along with Rating Outlook
NCD	INE756I07BT7	23 Jan 19	7 Dec 20	300	CARE AAA; Stable
NCD	INE756I07CI8	23 Jan 19	5 Apr 22	57.5	CARE AAA; Stable
NCD	INE756I07CK4	23 Jan 19	4 May 22	386.9	CARE AAA; Stable
NCD	INE756I07CI8	21 Feb 19	5 Apr 22	111	CARE AAA; Stable
NCD	INE756I07CM0	21 Feb 19	18 Feb 21	250	CARE AAA; Stable
NCD	INE756I07CI8	14 Mar 19	5 Apr 22	290	CARE AAA; Stable
NCD	INE756I07CM0	14 Mar 19	18 Feb 21	500	CARE AAA; Stable
NCD	INE756I07CO6	14 Mar 19	14 Mar 22	290	CARE AAA; Stable
NCD	INE756I07CP3	3 May 19	17 Jun 22	225	CARE AAA; Stable
NCD	INE756I07BX9	17 May 19	8 Jun 21	97	CARE AAA; Stable
NCD	INE756I07CQ1	17 May 19	17 May 21	365	CARE AAA; Stable
NCD	INE756I07CQ1	30 May 19	17 May 21	300	CARE AAA; Stable
NCD	INE756I07CP3	21 Jun 19	17 Jun 22	305	CARE AAA; Stable
NCD	INE756I07CS7	25 Jul 19	25 Aug 22	117	CARE AAA; Stable
NCD	INE756I07CT5	8 Aug 19	8 Aug 29	1500	CARE AAA; Stable
NCD	INE756I07BY7	22 Aug 19	7 Jul 21	325	CARE AAA; Stable
NCD	INE756I07CP3	22 Aug 19	17 Jun 22	275	CARE AAA; Stable
NCD	INE756I07CU3	28 Aug 19	28 Aug 24	280	CARE AAA; Stable
NCD	INE756I07CW9	19 Nov 19	19 Nov 22	255	CARE AAA; Stable
NCD	INE756I07CV1	13 Sep 19	18 Nov 21	700	CARE AAA; Stable
NCD	INE756I07CS7	24 Sep 19	25 Aug 22	200	CARE AAA; Stable
NCD	INE756I07CS7	24 Oct 19	25 Aug 22	220	CARE AAA; Stable
NCD	INE756I07CV1	25 Nov 19	18 Nov 21	300	CARE AAA; Stable
NCD	INE756I07CK7	25 Nov 19	23 Dec 22	260	CARE AAA; Stable
NCD	INE756I07CW9	26 Dec 19	19 Nov 22	240	CARE AAA; Stable
NCD	INE756I07CK7	26 Dec 19	23 Dec 22	260	CARE AAA; Stable
NCD	INE756I07CY5	16 Jan 20	16 Feb 23	257	CARE AAA; Stable
NCD	INE756I07BY7	30 Jan 20	7 Jul 21	250	CARE AAA; Stable
NCD	INE756I07C22	30 Jan 20	20 Jan 23	800	CARE AAA; Stable
NCD	INE756I07DA3	17 Feb 20	17 Apr 23	380	CARE AAA; Stable
NCD	INE756I07DA3	3 Mar 20	17 Apr 23	50	CARE AAA; Stable
NCD	INE756I07DB1	3 Mar 20	20 Oct 22	510	CARE AAA; Stable
NCD (Proposed)				18,109.90	CARE AAA; Stable
Commercial Paper		---	7 days to 1 year	12,500.00	CARE A1+
Market Linked Debenture	INE756I07CL2	8 Feb 19	31 Jul 20	300.00	CARE PP MLD AAA; Stable
Market Linked Debenture	INE756I07CN8	1 Mar 19	4 Feb 21	338.90	CARE PP MLD AAA; Stable
Market Linked Debenture	INE756I07CR9	13 Jun 19	4 Jun 21	125.00	CARE PP MLD AAA; Stable
Market Linked Debenture (Proposed)		---	---	2,236.10	CARE PP MLD AAA; Stable
Debt- Perpetual Debt	INE756I08157	6-Aug-18	--	200.00	CARE AAA; Stable
Debt- Perpetual Debt	INE756I08165	7-Sep-18	--	100.00	CARE AAA; Stable
Debt- Perpetual Debt	INE756I08199	16-Aug-19	--	100.00	CARE AAA; Stable
Debt- Perpetual Debt	INE756I08207	29-Nov-19	--	100.00	CARE AAA; Stable
Debt- Perpetual Debt				500.00	CARE AAA; Stable



Type of Instrument	ISIN	Date of issuance	Maturity Date	Size of issue (Rs. Cr.)	Rating assigned along with Rating Outlook
(Proposed)					
Subordinate Bond	INE756I08017	9-Aug-12	9-Aug-22	250.00	CARE AAA; Stable
Subordinate Bond	INE756I08025	30-Nov-12	30-Nov-22	150.00	CARE AAA; Stable
Subordinate Bond	INE756I08033	22-Mar-13	22-Mar-23	200.00	CARE AAA; Stable
Subordinate Bond	INE756I08041	18-Oct-13	17-Oct-23	100.00	CARE AAA; Stable
Subordinate Bond	INE756I08058	20-Dec-13	20-Dec-23	50.00	CARE AAA; Stable
Subordinate Bond	INE756I08066	18-Mar-14	18-Mar-24	80.00	CARE AAA; Stable
Subordinate Bond	INE756I08074	20-Jun-14	20-Jun-24	200.00	CARE AAA; Stable
Subordinate Bond	INE756I08082	13-Nov-14	13-Nov-24	100.00	CARE AAA; Stable
Subordinate Bond	INE756I08090	17-Nov-14	15-Nov-24	200.00	CARE AAA; Stable
Subordinate Bond	INE756I08116	6-Dec-16	4-Dec-26	170.00	CARE AAA; Stable
Subordinate Bond	INE756I08108	22-Jul-16	22-Jul-26	220.00	CARE AAA; Stable
Subordinate Bond	INE756I08124	1-Feb-18	1-Feb-28	150.00	CARE AAA; Stable
Subordinate Bond	INE756I08132	21-Feb-18	21-Feb-28	130.00	CARE AAA; Stable
Subordinate Bond	INE756I08140	27-Jul-18	27-Jul-28	250.00	CARE AAA; Stable
Subordinate Bond	INE756I08173	15-Nov-18	15-Nov-28	350.00	CARE AAA; Stable
Subordinate Bond	INE756I08181	7-Jun-19	7-Jun-29	315.00	CARE AAA; Stable
Subordinate Bond	INE756I08181	24-Jan-20	7-Jun-29	228.50	CARE AAA; Stable
Subordinate Bond (Proposed)		—	—	356.50	CARE AAA; Stable



Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1	Commercial Paper	ST	12,500	CARE A1+	-	1) CARE A1+ (08-Jan-20) 2) CARE A1+ (28-Jun-19)	1) CARE A1+ (28-Sep-18) 2) CARE A1+ (13-Jun-18)	1) CARE A1+ (12-Sep-17) 2) CARE A1+ (11-Jul-17)
2	Fund-based - LT-Term Loan	LT	30,000 (enhanced from 25,000)	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20) 2) CARE AAA; Stable (28-Jun-19)	1) CARE AAA; Stable (28-Sep-18) 2) CARE AAA; Stable (13-Jun-18)	1) CARE AAA; Stable (12-Sep-17)
3	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1) Withdrawn (11-Jul-17)
4	Debt-Subordinate Debt	LT	2750	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20)	1) CARE AAA; Stable (28-Sep-18) 2) CARE AAA; Stable (13-Jun-18)	1) CARE AAA; Stable (12-Sep-17)
5	Debentures-Non Convertible Debentures	LT	735	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20)	1) CARE AAA; Stable (28-Sep-18) 2) CARE AAA; Stable (13-Jun-18)	1) CARE AAA; Stable (12-Sep-17) 2) CARE AAA; Stable (11-Jul-17)
6	Debt-Subordinate Debt	LT	750	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20)	1) CARE AAA; Stable (28-Sep-18) 2) CARE AAA; Stable (13-Jun-18)	1) CARE AAA; Stable (12-Sep-17)
7	Debt-Perpetual Debt	LT	1000	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20) 2) CARE AAA; Stable (28-Jun-19)	1) CARE AAA; Stable (28-Sep-18)	1) CARE AAA; Stable (12-Sep-17) 2) CARE AAA; Stable (11-Jul-17)
8	Debentures-Non Convertible Debentures	LT	7500	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20)	1) CARE AAA; Stable (28-Sep-18) 2) CARE AAA; Stable (13-Jun-18)	1) CARE AAA; Stable (12-Sep-17) 2) CARE AAA; Stable (11-Jul-17)
9	Debentures-Non Convertible Debentures	LT	7500	-	-	-	-	-



Sr. No.	Name of the Instrument/Bank	Current Ratings			Rating history			
	Facilities	Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
10	Debentures-Non Convertible Debentures	LT	9000	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20)	1) CARE AAA; Stable (13-Nov-18) 2) CARE AAA; Stable (28-Sep-18) 3) CARE AAA; Stable (13-Jun-18)	-
11	Debentures-Market Linked Debentures	LT	1000	CARE PP-MLD AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20)	1) CARE PP-MLD AAA; Stable (13-Nov-18)	-
12	Debentures-Non Convertible Debentures	LT	15000	CARE AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20) 2) CARE AAA; Stable (28-Jun-19)		
13	Debentures-Market Linked Debentures	LT	2000	CARE PP-MLD AAA; Stable	-	1) CARE AAA; Stable (08-Jan-20) 2) CARE PP-MLD AAA; Stable (28-Jun-19)	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Ratings



Rating Rationale

March 05, 2020 | Mumbai

HDB Financial Services Limited

Rating Action

Total Bank Loan Facilities Rated	Rs.25000 Crore
Long Term Rating	CRISIL AAA/Stable

Non Convertible Debentures Aggregating Rs.34479.92 Crore	CRISIL AAA/Stable
Subordinated Debt Aggregating Rs.3500 Crore	CRISIL AAA/Stable
Perpetual Bonds Aggregating Rs.1000 Crore	CRISIL AAA/Stable
Long Term Principal Protected Market Linked Debentures Aggregating Rs.3000 Crore	CRISIL PP-MLD AA+/Stable
Rs.12500 Crore Commercial Paper	CRISIL A1+

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL ratings on outstanding debt instrument and bank facilities of HDB Financial Services Limited (HDB Finance). The ratings reflect benefits that HDB Finance derives, from its majority owner HDFC Bank Limited (HDFC Bank; rated 'CRISIL AAA/CRISIL AA+/Stable'), and its strategic importance to the parent. The shared logo also enhances the moral obligation of HDFC Bank towards this entity. The ratings are also underpinned by the company's established presence in the retail finance space, and its healthy capitalisation and earnings profile.

Analytical Approach

For arriving at the ratings, CRISIL has analysed the business and financial risk profiles of HDB Finance. CRISIL has factored in the strong support that HDB Finance is expected to receive from its parent, HDFC Bank, on an ongoing basis and in times of distress.

Ratings



Key Rating Drivers & Detailed Description

Strengths:

*** Majority ownership by, and strategic importance to HDFC Bank:** The ratings centrally factor in support that HDB Finance receives from HDFC Bank. The company complements the parent's product portfolio and distribution network, and supports collection activities for the retail portfolio. It receives operational and managerial support from HDFC Bank, with regard to formulation of credit policies, portfolio monitoring and collection practices, if required. Presence of senior functional executives from HDFC Bank on HDB Finance board, ensures adequate supervision over its performance. The company also receives regular funding support from its parent-Rs 3,480 crore has been infused cumulatively.

*** Established presence in the retail finance segment:** HDB Finance has emerged as one of the larger players in the retail financing space, over the past few years. The overall loan portfolio has grown 20.5% to Rs 57,655 crore as on September 30, 2019, from Rs 47,842 crore a year ago. The loan book has also diversified, with increased presence in commercial vehicle/construction equipment (CV/CE) financing and business loans.

As a result, the share of loans against property (LAP) declined to 33% as on September 30, 2019, as compared to 49% as on March 31, 2017. Whereas, that of CV/CE loans and business loans rose to 42% and 22%, respectively, from 30% and 19%, respectively.

HDB Finance is now expanding into consumer durable financing, digital products loans and other related segments. Apart from its traditional focus on the self-employed segment in non-metros, the company has now widened its reach to the metros as well. With a diversified product offering and a pan India presence, CRISIL expects growth for HDB Finance to be above the industry average over the medium term.

*** Healthy capital position:** Capitalisation remains healthy, as reflected in Tier-1 capital adequacy ratio (CAR) of 12.7%, and overall CAR of 18.2% (as per Ind AS) as on September 30, 2019. Networth expanded to around Rs 7,444 crore as on September 30, 2019 (from Rs 7,178 crore as on March 31, 2019), while gearing stood at ~6.1 times. Cushion for asset side risks was healthy, as reflected in networth coverage for net non-performing assets (NPAs) at around 6.7 times. While capital generation remains comfortable, the capital profile is also aided by periodic infusion by HDFC Bank.

*** Comfortable earnings profile:** Return on managed assets was 2.3% for the full year ended March 31, 2019 (1.5% in H1FY20). It has been stable for the past three years, aided by healthy net interest margin of over 6.5% and low credit cost of 1.3% for fiscal 2019. Operating expenses, which had increased to 7.7% (as a percentage of average total assets) in fiscal 2017 on account of amalgamation of its business process outsourcing (BPO) operations fell to 6% during fiscal 2019, but continue to be relatively high.

Weaknesses:

*** Ability to maintain asset quality metrics given the current challenging environment to remain monitorable:** Overall asset quality remains adequate, though gross NPAs have risen to 2.7% as on September 30, 2019, compared to 1.78% as on March 31, 2019 (2.0% as on September 30, 2018). The increase in gross NPAs was mainly account of increased slippages in the asset financing and LAP book.

Further, given the evolving situation for non-banking financial institutions on the liquidity front, since September 2018, asset quality in micro, small and medium enterprises segments, and loans against property (LAP) would be a key monitorable. This stems from the sensitivity of such borrowers to an environment of prolonged liquidity tightness. Though delinquencies in these loans are not high currently, owing to strong credit appraisal and risk mitigating mechanisms, if the liquidity situation does not stabilise, asset quality challenges could manifest.

Ratings



Liquidity Strong

HDB Finance's asset-liability management profile is adequate with positive cumulative mismatch in all buckets upto 1 year as on December 31, 2019. The company has upcoming repayments of Rs 4260 crore (including Rs 1490 crore of commercial papers) as on January 31, 2020, over next 3 months till April 30, 2020. Against this, the company has adequate liquidity in the form of unutilised bank lines amounting to Rs 5125 crore and liquid investments of Rs 921 crore as on January 31, 2020. The company's liquidity is further cushioned by healthy inflows from assets, option to securitise loans and funding support from HDFC Bank, if required.

Outlook: Stable

CRISIL factors strong financial, managerial, and operational support for HDB Finance, from HDFC Bank. On a standalone basis, HDB Finance should maintain its strong position in the retail finance space, and report healthy profitability.

The rating on perpetual bonds remains sensitive to the capital buffer maintained by HDB Finance, over regulatory capital requirements, and rating transition on these instruments could potentially be sharper than those on other debt instruments and bank facilities.

Rating Sensitivity factors

Downward Factor:

* Downward change in the credit risk profile of HDFC Bank by 1 notch could have a similar rating change on HDB Finance.

* Diminution in expected support from HDFC Bank, caused by a significant decline in the bank's ownership, or in strategic importance of HDB Finance to HDFC Bank.

About the Company

HDB Finance was set up as a non-banking finance company by HDFC Bank in June 2007. The company began operations in fiscal 2008. As on March 31, 2019, HDFC Bank owned 95.9% of HDB Finance's equity shares. On the same date, the company had 1350 branches across 961 cities in India. Apart from the lending business, HDB Finance is also engaged in the distribution of general and life insurance products for HDFC Ergo General Insurance Company and HDFC Standard Life Insurance Company, respectively. The company also runs BPO services that undertake collection services, back office and sales support functions under a contract with HDFC Bank.

HDB Finance reported a profit after tax of Rs 1153 crore on a total income of Rs 8724 crore for fiscal 2019 as against Rs 933 crore and Rs 7027 crore, respectively, in fiscal 2018.

Further, for the half year ended September 30, 2019, it reported a profit after tax of Rs 428 crore on a total income of Rs 5205 crore as against Rs 526 crore and Rs 4078 crore, respectively, in earlier fiscal.

Key Financial Indicators

As on /for the half year ended September 30		2019	2018
Total assets	Rs crore	60525	48685
Total income	Rs crore	5205	4078
Profit after tax	Rs crore	428	526
Gross NPA	%	2.7	2.0
Overall capital adequacy ratio	%	18.2	18.9
Return on average assets	%	1.5	2.2

Any other information: Not applicable

Ratings



Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Ratings



Annexure - Details of Instrument(s)

ISIN	Name of the Instrument	Date of Issuance	Coupon rate (%)	Maturity date
NA	Long Term Principal Protected Market Linked Debentures#	NA	NA	NA
NA	Perpetual bonds#	NA	NA	NA
NA	Debentures#	NA	NA	NA
NA	Commercial Paper Programme	NA	NA	7 to 365
INE756I08017	Subordinate Debt	09-Aug-12	10.20%	09-Aug-12
INE756I08025	Subordinate Debt	30-Nov-12	9.70%	30-Nov-12
INE756I08033	Subordinate Debt	22-Mar-13	9.60%	22-Mar-13
INE756I08041	Subordinate Debt	18-Oct-13	10.20%	17-Oct-13
INE756I08058	Subordinate Debt	20-Dec-13	10.05%	20-Dec-13
INE756I08066	Subordinate Debt	18-Mar-14	10.19%	18-Mar-14
INE756I08074	Subordinate Debt	20-Jun-14	9.70%	20-Jun-14
INE756I08082	Subordinate Debt	13-Nov-14	9.55%	13-Nov-14
INE756I08090	Subordinate Debt	17-Nov-14	9.55%	15-Nov-14
INE756I08108	Subordinate Debt	22-Jul-16	8.79%	22-Jul-16
INE756I08116	Subordinate Debt	06-Dec-16	8.05%	04-Dec-16
INE756I08124	Subordinate Debt	01-Feb-18	8.42%	01-Feb-18
INE756I08132	Subordinate Debt	21-Feb-18	8.45%	21-Feb-18
NA	Subordinate Debt#	NA	NA	NA
INE756I08199	Perpetual bonds	16-Aug-19	8.70%	Perpetual, unless call option is exercised any/ Allotn
INE756I08165	Perpetual bonds	07-Sep-18	9.15%	Perpetual, unless call option is exercised any/ Allotn
INE756I08157	Perpetual bonds	06-Aug-18	9.40%	Perpetual, unless call option is exercised any/ Allotn
INE756I07CL2	Long Term Principal Protected Market Linked Debentures	08-Feb-19	If Final Fixing Level <= 25% of Initial Fixing Level: 0.000% If Final Fixing Level > 25% of Initial	31-Jul-19

Ratings

CRISIL
 An S&P Global Company

			Fixing Level: 8.64% p.a. (XIRR 8.45% p.a.)	
INE756I07CN8	Long Term Principal Protected Market Linked Debentures	01-Mar-19	If Final Fixing Level ≤ 25% of Initial Fixing Level: 0.000% If Final Fixing Level > 25% of Initial Fixing Level: 8.70% p.a. (XIRR 8.35% p.a.)	04-Feb
INE756I07CR9	Long Term Principal Protected Market Linked Debentures	13-Jun-19	If Final Fixing Level ≤ 25% of Initial Fixing Level: 0.000% If Final Fixing Level > 25% of Initial Fixing Level: 8.44% p.a. (XIRR 8.10% p.a.)	04-Jul
INE756I08173	Subordinate Debt	15-Nov-18	9.70%	15-Nov
INE756I08181	Subordinate Debt	07-Jun-19	8.85%	07-Jul
INE756I08140	Subordinate Debt	27-Jul-18	9.05%	27-Jul
INE756I07944	Debentures	14-Jun-16	8.66%	13-Mar
INE756I07AD3	Debentures	01-Sep-16	8.06%	02-Mar
INE756I07A/W3	Debentures	25-Jan-17	Zero Coupon	20-Mar
INE756I07AZ6	Debentures	31-Jan-17	7.71%	24-Feb
INE756I07BB5	Debentures	22-Feb-17	7.82%	24-Feb
INE756I07BC3	Debentures	26-Apr-17	7.76%	26-Mar
INE756I07BE9	Debentures	11-May-17	7.83%	11-Jul
INE756I07BF6	Debentures	11-May-17	Zero Coupon	08-Jul
INE756I07BG4	Debentures	18-May-17	7.80%	18-Jul
INE756I07BH2	Debentures	29-May-17	7.80%	29-Jul
INE756I07BJ8	Debentures	13-Jun-17	7.70%	12-Jul
INE756I07BK6	Debentures	19-Jun-17	7.55%	19-Jul
INE756I07BL4	Debentures	19-Jul-17	7.52%	17-Aug
INE756I07BM2	Debentures	27-Jul-17	7.43%	28-Sep
INE756I07BP5	Debentures	08-Sep-17	7.30%	08-Sep

Ratings

CRISIL
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INE756I07BQ3	Debentures	20-Sep-17	Zero Coupon	20-Oct
INE756I07BR1	Debentures	18-Oct-17	7.50%	18-Nov
INE756I07BT7	Debentures	06-Dec-17	7.63%	07-Dec
INE756I07BU5	Debentures	15-Jan-18	7.94%	15-Apr
INE756I07BV3	Debentures	16-Mar-18	Zero Coupon	10-May
INE756I07BW1	Debentures	16-Mar-18	Zero Coupon	06-Apr
INE756I07BX9	Debentures	01-Jun-18	Zero Coupon	08-Jul
INE756I07BY7	Debentures	27-Jun-18	8.81%	07-Jul
INE756I07CA5	Debentures	11-Jul-18	T-BILL ENCHMARK RATE LINKED	12-Jul
INE756I07CB3	Debentures	16-Aug-18	8.7	14-Aug
INE756I07CC1	Debentures	31-Aug-18	8.82%	09-Sep
INE756I07CD9	Debentures	17-Oct-18	Zero Coupon	29-Oct
INE756I07CE7	Debentures	26-Oct-18	9.35%	25-Nov
INE756I07CF4	Debentures	02-Nov-18	9.38%	15-Dec
INE756I07CG2	Debentures	22-Nov-18	9.26%	24-Feb
INE756I07CI8	Debentures	03-Dec-18	Zero Coupon	05-Apr
INE756I07CJ6	Debentures	21-Dec-18	Zero Coupon	05-Apr
INE756I07BK6	Debentures	29-Dec-18	Zero Coupon	08-Jul
INE756I07BK6	Debentures	29-Dec-18	7.55%	19-Jul
INE756I07BF6	Debentures	10-Jan-19	Zero Coupon	08-Jul
INE756I07CJ6	Debentures	10-Jan-19	8.80%	10-Aug
INE756I07BQ3	Debentures	23-Jan-19	Zero Coupon	20-Oct
INE756I07BT7	Debentures	23-Jan-19	7.63%	07-Dec
INE756I07CI8	Debentures	23-Jan-19	Zero Coupon	05-Apr
INE756I07CK4	Debentures	23-Jan-19	8.83%	04-May
INE756I07CI8	Debentures	21-Feb-19	Zero Coupon	05-Apr
INE756I07CMD	Debentures	21-Feb-19	8.71%	18-Feb
INE756I07CI8	Debentures	14-Mar-19	Zero Coupon	05-Apr
INE756I07CMD	Debentures	14-Mar-19	8.71%	18-Feb
INE756I07CO6	Debentures	14-Mar-19	8.80%	14-May
INE756I07CF3	Debentures	03-May-19	8.55%	17-Jul

Ratings



INET56I07BX9	Debentures	17-May-19	Zero Coupon	08-Ju
INET56I07CQ1	Debentures	17-May-19	8.71%	17-Mar
INET56I07CQ1	Debentures	30-May-19	8.71%	17-Mar
INET56I07CP3	Debentures	21-Jun-19	8.55%	17-Ju
INET56I07CS7	Debentures	25-Jul-19	8.00%	25-Au
INET56I07CT5	Debentures	08-Aug-19	8.05%	08-Au
INET56I07BY7	Debentures	22-Aug-19	8.81%	07-Jul
INET56I07CP3	Debentures	22-Aug-19	8.55%	17-Ju
INET56I07CU3	Debentures	28-Aug-19	8.05%	28-Au
INET56I07CW9	Debentures	19-Nov-19	7.50%	19-Nov
INET56I07CV1	Debentures	13-Sep-19	7.49%	18-Nov
INET56I07CS7	Debentures	24-Sep-19	8.00%	25-Au
INET56I07CS7	Debentures	24-Oct-19	8.00%	25-Au
INET56I07CV1	Debentures	25-Nov-19	7.49%	18-Nov
INET56I07CX7	Debentures	25-Nov-19	7.50%	23-Dec
INET56I07CW9	Debentures	26-Dec-19	7.50%	19-Nov
INET56I07CX7	Debentures	26-Dec-19	7.50%	23-Dec
INET56I07CY5	Debentures	16-Jan-20	7.57%	16-Feb
INET56I07BY7	Debentures	30-Jan-20	8.81%	07-Jul
INET56I07CZ2	Debentures	30-Jan-20	7.55%	20-Jan
INET56I07AU7	Debentures	17-Jan-17	7.67%	17-Feb
INET56I08181	Subordinate Debt	24-Jan-20	8.85%	07-Ju
INET56I08207	Perpetual bonds	29-11-2019	8.70%	Perpetual unless call option is exercised any time i
NA	Long Term Bank Facility*	NA	NA	NA
NA	Proposed Long Term Loan Facility	NA	NA	NA

*Amount of Rs 1500 crore sanctioned but not yet disbursed from SIDBI
 #Yet to be issued

Ratings



Annexure - Rating History for last 3 Years

Instrument	Type	Current		2020 (History)		2019		
		Outstanding Amount	Rating	Date	Rating	Date	Rating	
Commercial Paper	ST	12500.00	CRISIL A1+	27-02-20	CRISIL A1+	21-05-19	CRISIL A1+	1+
						20-05-19	CRISIL A1+	02
Long Term Principal Protected Market Linked Debentures	LT	763.90 05-03-20	CRISIL PP-MLD AAA/Stable	27-02-20	CRISIL PP-MLD AAA/Stable	21-05-19	CRISIL PP-MLD AAA/Stable	1+
						20-05-19	CRISIL PP-MLD AAA/Stable	
Non Convertible Debentures	LT	22405.10 05-03-20	CRISIL AAA/Stable	27-02-20	CRISIL AAA/Stable	21-05-19	CRISIL AAA/Stable	1+
						20-05-19	CRISIL AAA/Stable	02
Perpetual Bonds	LT	500.00 05-03-20	CRISIL AAA/Stable	27-02-20	CRISIL AAA/Stable	21-05-19	CRISIL AAA/Stable	1+
						20-05-19	CRISIL AAA/Stable	02
Short Term Debt (including Commercial Paper)	ST							
Subordinated Debt	LT	3143.50 05-03-20	CRISIL AAA/Stable	27-02-20	CRISIL AAA/Stable	21-05-19	CRISIL AAA/Stable	1+
						20-05-19	CRISIL AAA/Stable	02
Fund-based Bank Facilities	LT/ST	25000.00	CRISIL AAA/Stable	27-02-20	CRISIL AAA/Stable	21-05-19	CRISIL AAA/Stable	1+
						20-05-19	CRISIL AAA/Stable	02

All amounts are in Rs. Cr.

Annexure - Details of various bank facilities

Current facilities			
Facility	Amount (Rs.Crore)	Rating	Facility
Long Term Bank Facility*	15630	CRISIL AAA/Stable	Long Term Bank Facility
Proposed Long Term Bank Loan Facility	9370	CRISIL AAA/Stable	Proposed Long Term Facility
Total	25000	-	Total

*Amount of Rs 1500 crore sanctioned but not yet disbursed from SIDBI

Links to related criteria

[CRISIL's Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISIL's Criteria for rating short term debt](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

Ratings



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Ratings



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ANNEXURE B

CONSENT LETTER OF THE TRUSTEE

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154



No.23738/ITSL/OPR/CL/2021-22/DEB/U-188
May 24, 2021

To,
Ms. Amruta Guraji - Manager Treasury
HDB Financial Services Limited
Ground Floor, Zenith House, Keshavrao Khadye Marg, Opposite Race Course,
Mahalaxmi, Mumbai - 400034

Dear Madam,

Umbrella Consent to act as Debenture Trustee for Secured Listed Non-Convertible Debentures (NCDs) of Rs.7,500 crore to be issued through one or more tranches

This is with reference to the email dated 24.05.2021 regarding appointment of IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee for Secured Listed Non-Convertible Debentures (NCDs) of Rs.7,500 crore to be issued through one or more tranches within 30 months from date of Umbrella Consent Letter.

It would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee for the NCD issuances on trusteeship remuneration as under.

Acceptance fees	Rs.15,00,000/- (plus applicable taxes) onetime payment payable upfront.
Service Charges	Rs.22,50,000/- (plus applicable taxes) onetime payment payable upfront.
Delay Payment Charges	In case the payment of service charges not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount.
Out of Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis within 30 days of the claim.
Enforcement Charges	Minimum Rs.5,00,000/- plus taxes excluding litigation/other expenses which will be on actual basis.

Assure you of our best services at all times.

Yours faithfully,
For IDBI Trusteeship Services Limited.

(Authorized Signatory)
NAME: ADITYA KAPIL
DESIGNATION: VICE PRESIDENT

we accept the above terms
for HDB Financial Services Limited

(Authorized Signatory)
NAME: G. RAMESH
DESIGNATION: MANAGING DIRECTOR & CEO

NOTE: As per recent GST guidelines, ITSL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

Regd. Office : Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com

IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154



No.23738/ITSL/OPR/CL/2021-22/DEB/U-188
May 24, 2021

To,
Ms. Amruta Guraji - Manager, Treasury
HDB Financial Services Limited
Ground Floor, Zenith House,
Keshavnagar Khadye Marg, Opposite Race Course,
Mahalaxmi, Mumbai - 400034

Dear Madam,

Umbrella Consent to act as Debenture Trustee for Secured Listed Non - Convertible Debentures (NCDs) of Rs.7,500 crore to be issued through one or more tranches.

This is with reference to the email dated 24.05.2021 regarding appointment of IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee for Secured Listed Non - Convertible Debentures (NCDs) of Rs.7,500 crore to be issued through one or more tranches within 30 months from date of Umbrella Consent Letter.

In this connection, we confirm our acceptance to act as Debenture Trustee for the same, subject to the company agreeing the conditions as set out in annexure A.

We are also agreeable for inclusion of our name as trustees in the Company's offer document / disclosure document / listing application / any other document to be filed with SEBI / ROC / the Stock Exchange(s) or any other authority as required.

HDB Financial Services Limited shall enter into Debenture Trustee Agreement for the said issue of the NCDs.

Thanking you,

Yours faithfully,
For IDBI Trusteeship Services Limited

Aditya Kapil
Vice President

Regd. Office : Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com

IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154



Annexure A

1. The Company agrees and undertakes to create the securities wherever applicable over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document in any case not exceeding 3 months from the date of closure of the issuance.
2. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
3. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 1956 to the extent not repealed and The Companies Act, 2013 to the extent notified and other applicable provisions as amended from time to time and agrees to furnish to Trustees such information in terms of the same on regular basis.

For IDBI Trusteeship Services Limited

Aditya Kapil
Vice President

Regd. Office : Asian Building, Ground Floor, 17, R. Kaman Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : its@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com

ANNEXURE C
ANNUAL REPORT OF THE COMPANY FOR FY 2019-20, 2018-19 AND 2017-18
(Kindly refer Company website: www.hdbfs.com)

FY 2019-20:: <https://www.hdbfs.com/sites/default/files/reports/HDBFS%20Annual%20Report%202020.pdf>

FY 2018-19: <https://www.hdbfs.com/sites/default/files/reports/Annual%20Report%202018-%202019.pdf>

FY 2017-18: <https://www.hdbfs.com/sites/default/files/reports/HDBFS%20Annual%20Report%202018.pdf>

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

ANNEXURE D

TRUSTEE AGREEMENT

[Attached Separately]

Series[●]

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

ANNEXURE 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, Mahalaxmi, Mumbai - 400034

Tel: 022- 49116300; Fax: 022-49116666; 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 ("Series [●] Debentures") of the face value of Rs. [10,00,000/- (Rupees Ten Lakh only)] each for cash aggregating upto Rs. [●]/- (Rupees (●) Crore only) issued under the shelf disclosure document dated[●], 2021 ("Shelf DD") as amended / supplemented from time to time.

This supplemental disclosure document ("Supplemental DD") is issued in terms of and pursuant to the Shelf Disclosure Document dated[●]. All the terms, conditions, information and stipulations contained in the Shelf DD 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 DD must be read in conjunction with the Shelf DD and Private Placement Offer Letter.

This Supplemental DD contains details of this Series of private placement of Series [●] Debentures 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 DD, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf DD. All other particulars appearing in the Shelf DD shall remain unchanged.

All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Shelf DD. This Supplemental DD is dated [●], 2021.

SUMMARY TERM SHEET

Security Name	[●]
Issuer	HDB Financial Services Limited.
Arranger	
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 Series [●] Debentures are proposed to be listed on the WDM of the BSE within a maximum period of 4 (Four) trading days from the respective Issue Closure Date Series [●] Debentures.</p> <p>In accordance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time, in case of a delay by the Company in listing the Series [●] Debentures beyond 4 (Four) trading days from the respective Issue Closure Date, the Company shall (i) make payment to the Series [●] Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the Deemed Date of Allotment till the listing of such Series [●] Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from BSE in respect of the listing of the Series [●] Debentures.</p>
Rating of the Instrument	[●]
Issue Size	The aggregate size of the Issue program is for Rs. 7500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crore only), which Issue shall comprise of one or more Tranches/Series of Debentures.
Option to retain oversubscription (Amount)	[●]
Objects of the Issue	The Company has filed the Shelf DD for issuance of Debentures on private placement basis for an amount not exceeding Rs. 7500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crore Only) to be issued in one or more Tranches/Series from time to time. The funds raised through the Issue will be utilized as per the section “Utilisation of Issue Proceeds” stipulated in the Shelf DD.
Details of the utilization of the Proceeds	The proceeds of the Issue would be utilised by the Company, for regular business activities including its financing / lending activities, working capital and general corporate purposes in compliance with the provisions of Applicable Laws.

Interest/Coupon Rate	[●].Please also refer to Note 2 under Section 5.20 of the Shelf DD.
Step Up/Step Down Coupon Rate	[●] bps
Step-up Option	[●]
Lock-in clause	[●]
Coupon Payment Frequency	[●]
Coupon Payment Dates	[●]
Coupon Type	[●]
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	[●]
Day Count Basis	Actual/ Actual Also refer Shelf Disclosure Document.
Interest on Application Money	[●]% ([●]Percent) per annum Also refer to the Shelf Disclosure Document.
Additional Interest	In case of default in payment of Coupon and/ or redemption of the principal amount of the Debentures on the respective Due Dates, additional interest of at least 2% (Two Percent) per annum over and above the Coupon Rate shall be payable by the Company for the defaulting period until the defaulted amount together with the delay penalty is paid, in compliance with the SEBI Circular dated May 27, 2019 bearing reference number SEBI/HO/MIRSD/DOS3/CIR/P/2019/68, titled "Enhanced disclosure in case of listed debt securities".
Tenor	[●]
Redemption Date	[●]
Redemption Amount	[●].Please also refer to Note 3 under Section 5.20 of the Shelf DD.
Redemption Premium / Discount	[●]
Issue Price	[●]
Discount at which security is issued and the effective yield as a result of such discount.	N.A
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/- (Rupees Ten Lakh only) per Debenture.

Minimum Application and in multiples of __ Debt securities thereafter	10 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	Tranche/Series Opening Date : [●] Tranche/Series Closing Date : [●] Pay-in Date : [●] Deemed Date of Allotment : [●] Also refer to the Shelf Disclosure Document.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the eligible investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the relevant clearing corporation, as specified below. For amounts payable by the Issuer to any Debenture Holder pursuant to the terms of the Transaction Documents, Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder shall be the mode of settlement.
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, ii. Sundays iii. any day which is a public holiday for the purpose of section 25 of the Negotiable Instruments Act, 1881 (26 of 1881). iv. any other day on which banks are closed for customer business in Mumbai.
Business Day Convention	If any Coupon Payment Date in respect of a relevant Tranche/ Series falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment, however, the dates of the future Coupon payments in respect of such relevant Series would be as per the schedule originally stipulated in the relevant Supplemental Disclosure Document. In other words, the subsequent Coupon payment schedule would not be disturbed merely because the payment date in respect of one particular Coupon payment has been postponed earlier because of it having fallen on non-Business Day.

	If the Maturity Date / Redemption Date (including the last Coupon Payment Date) or the due date in respect of liquidated damages (if any) and all other monies payable under a Supplemental DD falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment.
Manner of bidding in the issue	[●]
Manner of settlement	[●]
Minimum Bid lot	Rs.1,00,00,000 (Rupees One Crore Only) and in the Multiples of Rs.10,00,000(Rupees Ten Lakh Only) thereafter.
Settlement cycle	[●]
Manner of allotment	[●]
Illustration of Bond Cashflows	Please refer to Annexure [●] hereto.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	As set out in Note 6 of the Shelf DD and under the Transaction Documents.
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document / Information Memorandum.	<p><u>Description of Security</u></p> <p>The Debentures being issued under this Disclosure Document shall be secured through: first and exclusive charge by hypothecation over the specific identified Receivables of the Issuer or such other security as may be identified by the Company as set out in the Trust Deed / Deed of Hypothecation.</p> <p><u>Asset Cover and its maintenance</u></p> <p>The Company shall, during the currency of the Debentures, maintain a minimum asset cover which shall be 1.10 (One decimal point One Zero) times of the outstanding principal amount and the accrued Coupon, or such other asset cover as may be required in relation to a particular Tranche/Series under the relevant Supplemental Disclosure Document ("Asset Cover").</p> <p>Each time a new Tranche/Series of the Debentures is proposed to be issued, the Company shall, prior to the issue of such new Tranche/Series of the Debentures, provide the Trustee with a Supplemental Receivables Schedule identifying the aggregate Receivables that are charged in favour of the Trustee so as to maintain the required Asset Cover in accordance with the terms of the Trust Deed or the relevant Supplemental Disclosure Document. Each Supplemental Receivables Schedule shall form an integral part of this Deed and a first ranking and exclusive continuing charge in the</p>

	<p>nature of a hypothecation shall be deemed to be <i>ipso facto</i> created and perfected over the Receivables identified and set out therein, without requiring any further act to be done by the Company.</p> <p>Within 30 (Thirty) days from the end of each financial quarter or at such other time as may be necessary, the Company shall deliver to the Trustee, the Supplemental Receivables Schedule duly certified by a practicing chartered accountant and the managing director of the Company of aggregate Receivables hypothecated on exclusive basis in favour of the Trustee which shall provide requisite Asset Cover on the outstanding debentures under this Trust Deed and shall certify its value. It is clarified that if the value of the Hypothecated Assets identified under Schedule I of the Deed of Hypothecation and in the Supplemental Receivables Schedules (as defined in the Deed of Hypothecation) submitted from time to time gets diminished, the Company shall within 30 (Thirty) calendar days from the end of each financial quarter ("Top-Up Date") also provide the Trustee with a Supplemental Receivables Schedule identifying further Receivables (i.e. an updated list of the Loans comprising the Receivables on quarterly basis along with such other certifications in respect of the Loans constituting the Receivables as may be required by Trustee) so as to maintain the Asset Cover in accordance with the terms of the Trust Deed or the relevant Supplemental Disclosure Document. Pursuant to the Top-up, the Company shall take all steps necessary to perfect such security at its own cost including filing the necessary forms for recording the modification of the charge with the applicable registrar of companies.</p> <p>Any substitution, addition and/or replacement of the Hypothecated Assets shall be made under the terms of the Deed of Hypothecation.</p> <p>The Company hereby undertakes that the Receivables on which charge has been created are free from any encumbrances.</p> <p>Release of Excess Hypothecated Assets</p> <p>Notwithstanding anything contained in the Deed of Hypothecation, in the event that the Hypothecated Assets are of a book value greater than that required for the maintenance of the Asset Cover, the Company shall be entitled to require the Trustee to release the excess Hypothecated Assets such that the Hypothecated Assets remaining after such release would be sufficient for maintenance of the Asset Cover ("Released Assets"). The Company shall, for such release, issue a letter to the Trustee substantially in the format set out in Schedule II of the Deed of Hypothecation describing the Hypothecated Assets to be released ("Release Request Letter").</p> <p>The Trustee shall effectuate such release by issuing a no objection letter in response to the Release Request Letter and shall also, if requested by the Company execute all such documents as may be required for such</p>
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	<p>release. The Release Request Letter shall be accompanied by a certificate from the independent chartered accountant of the Company confirming to the Debenture Trustee in writing the amount of Released Assets and that the Asset Cover Ratio shall be maintained post such excess release. The Debenture Trustee shall not be required to provide any notice to or obtain any consent of the Debenture Holders for issuing the non-objection letter and releasing the excess Hypothecated Assets under the terms hereof. The Trustee shall not be liable for any consequences for having acted in terms hereof and having made such release.</p> <p>The Released Assets shall not be construed to be a part of the Security and the Company shall be entitled to deal with the Released Assets in the manner it deems fit.</p> <p><u>Creation and Perfection</u></p> <p>The Company shall execute Debenture Trust Deed and Deed of Hypothecation prior to listing of the Debentures and perfect the same by filing requisite forms with ROC within 30 (Thirty) days, or such other time as permitted under Applicable Law, of creation of charge.</p> <p>The Issuer shall cooperate with the Trustee to enable it to make necessary filings in connection with the creation of Security over the Hypothecated Assets with the CERSAI, within the timelines as specified under Applicable Law from the date of creation of security over the Hypothecated Assets in respect of any Tranche/ Series.</p> <p>The Debentures shall be considered to be secured only in the event the Hypothecated Assets are registered with the relevant ROC or CERSAI or Depository, as applicable or is independently verifiable by the Trustee.</p> <p><u>Due Diligence</u></p> <p>The Trustee shall exercise independent due diligence to ensure that the Security is free from any encumbrances in accordance with the applicable circulars / notifications issued by the SEBI including under the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), SEBI circular dated November 03, 2020 (bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) as may be amended/ updated from time to time and as also set out in detail under the terms of the Trustee Agreement.</p>
Transaction Documents	<p>Shall mean the documents executed in relation to the issue of the Debentures and shall include the Trust Deed, the Trustee Agreement, this Shelf Disclosure Document(s), Supplemental Disclosure Document, the Deed of Hypothecation, the Private Placement Offer cum Application</p>

	Letter(s) and any other document that may be designated by the Trustee as a Transaction Document.
Conditions Precedent to Disbursement	[●]
Condition Subsequent to Disbursement	[●]
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer to Note 4 of the Shelf DD. As further provided if any, read with the relevant Trust Deed.
Creation of recovery expense fund	<p>Details and purpose of the recovery expense fund</p> <p>The Issuer has created and shall maintain recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated October 22, 2020 (bearing reference number: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207) as may be updated/ amended from time to time.</p> <p>The recovery expense fund may be utilized by the Trustee upon occurrence of an Event of Default, for taking appropriate legal actions to enforce the Security, in accordance with applicable SEBI Circulars.</p>
Conditions for breach of covenants (as specified in the Trust Deed)	As set out in detail under Note 4 of the Shelf DD.
Provisions related to Cross Default Clause	[●]
Role and Responsibilities of the Trustee	To oversee and monitor the overall transaction for and on behalf of the Debentures Holders as customary for transaction of a similar nature and size and as set out under the Transaction Documents.
Risk factors pertaining to the issue	As mentioned in Section III of the Shelf 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 Mumbai, Maharashtra.
Due diligence certificate	The Issuer shall submit the due diligence certificate provided by the Trustee, to BSE in accordance with the applicable SEBI regulations, including but not limited to the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218). The due diligence certificate has been annexed hereto as Annexure [●] .

Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee	Please refer to the Shelf DD.
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Note 1: The Company reserves the right to amend the Series timetable including the Date of Allotment.

Note 2: While the Debentures are secured to the tune of 110% (One Hundred and Ten Percent) of the outstanding principal amount and Coupon amount or as per the terms of this DD, in favour of Trustee, it is the duty of the Trustee to monitor that the security is maintained, however, the recovery of 100% (One Hundred Percent) of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

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 29 th October 2013)	
Company	HDB Financial Services Limited
Face Value (per security)	[●]
Issue Date/Date of Allotment	[●]
Redemption	[●]
Coupon Rate	[●]
Frequency of the Interest Payment with specified dates	[●]
Day Count Convention	Actual / Actual

Scenario 1 : Call Option Exercised

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	[●]	[●]	[●]	[●]
3 rd Coupon Payment	[●]	[●]	[●]	[●]

4 th Coupon Payment	[●]	[●]	[●]	[●]
5 th Coupon Payment	[●]	[●]	[●]	[●]
6 th Coupon Payment	[●]	[●]	[●]	[●]
7 th Coupon Payment	[●]	[●]	[●]	[●]
8 th Coupon Payment	[●]	[●]	[●]	[●]
9 th Coupon Payment	[●]	[●]	[●]	[●]
10 th Coupon Payment	[●]	[●]	[●]	[●]
Principal Repayment	[●]	[●]	[●]	[●]

Scenario 2: Call Not Exercised				
Cash Flows	Date	Day	No. of days in Coupon Period	Amount (in Rupees)
Issue amount				
	[●] of every calendar year	[●]	365 366 (in the case of a leap year)	[●]
Principal				[●]
Total				[●]

MODE OF PAYMENT

All transfers/RTGS must be made payable to "[ICCL]"¹. Details for RTGS payments are mentioned herein below:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB

¹Account of the relevant clearing corporation.

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

Name of beneficiary	INDIAN CLEARING CORPORATION LTD
Name of Bank	YES BANK
IFSC Code	YESBOCMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

For HDB Financial Services Limited

Authorised Signatory

Name: [●]

Title: [●]

Date:[●]

ANNEXURE F - FINANCIAL RESULTS ALONG WITH AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2021

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditors' Report on Standalone Annual Financial Results under Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021

Independent Auditors' Report

To the Board of Directors of HDB Financial Services Limited

Opinion

We have audited the accompanying standalone annual financial results of HDB Financial Services Limited (hereinafter referred to as "the Company") for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Registered Office:

Independent Auditors' Report (*Continued*)

HDB Financial Services Limited

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditors' Report (*Continued*)

HDB Financial Services Limited

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results (*Continued*)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2021, and those of the corresponding quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year which were subject to limited review by us. The standalone annual financial results also include the results for the half year ended 31 March 2021, and those of the corresponding half year ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the second quarter of the relevant financial year which were subject to limited review by us.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

AKEEL
ABBAS
MASTER
Digitally signed
by AKEEL ABBAS
MASTER
Date: 2021.04.17
22:50:17 +05'30'

Akeel Master

Partner

Mumbai
17 April 2021

Membership No: 046768
UDIN: 21046768AAAABN5110

Audited Standalone Annual Financial Results
 for the quarter, half year and year ended 31 March 2021

Particulars	Quarter ended			Half Year ended		Year ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
I Revenue from operations							
Interest income	22,025	20,470	21,325	42,495	42,315	84,879	82,335
Sale of services	5,509	4,922	5,644	10,431	11,016	20,204	21,132
Other financial charges	1,366	1,327	966	2,693	2,167	4,051	4,083
Net gain on fair value changes	3	147	83	150	83	400	188
Net gain/(loss) on derecognised financial instruments	(15)	(19)	(32)	(34)	(67)	(86)	(173)
Total Revenue from operations	28,888	26,847	27,986	55,735	55,514	109,448	107,565
II Expenses							
Finance Costs	9,035	9,610	10,146	18,645	20,638	38,829	40,814
Impairment on financial instruments	4,290	10,239	5,047	14,529	7,629	30,688	14,416
Employee benefits expenses	7,073	7,721	8,250	14,794	16,592	29,556	31,956
Depreciation, amortization and impairment	257	272	279	529	569	1,078	1,097
Others expenses	1,445	1,133	1,217	2,578	2,536	4,290	4,637
Total expenses	22,100	28,975	24,939	51,075	47,964	104,441	92,920
III Profit before tax (I-II)	6,788	(2,128)	3,047	4,660	7,550	5,007	14,645
IV Tax expense:							
a. Current tax	2,356	817	1,875	3,173	2,667	4,191	4,718
b. Deferred tax	(685)	(1,483)	(1,170)	(2,168)	(890)	(3,099)	(121)
Total tax expense	1,671	(666)	705	1,005	1,777	1,092	4,597
V Net Profit for the period (III-IV)	5,117	(1,462)	2,342	3,655	5,773	3,915	10,048
VI Other Comprehensive Income (net of tax)	-	266	(531)	266	(391)	(135)	(550)
VII Total Comprehensive Income (after tax) (V-VI)	5,117	(1,196)	1,811	3,921	5,382	3,780	9,498
VIII Earnings per equity share (Refer Note 9)							
a. Basic (in Rupees)	6.49	(1.86)	2.98	4.64	7.34	4.97	12.78
b. Diluted (in Rupees)	6.49	(1.86)	2.97	4.64	7.33	4.97	12.77
Face value per share (in Rupees)	10	10	10	10	10	10	10

Statement of Standalone Assets and Liabilities
as at 31 March 2021

Particulars	(Rupees in million)	
	As at 31 Mar 2021	As at 31 Mar 2020
	Audited	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	7,535	3,560
(b) Bank balances other than cash and cash equivalents	2,229	2,072
(c) Derivative financial instruments	-	813
(d) Trade receivables	1,173	1,812
(e) Loans	586,014	571,459
(f) Investments	15,929	17,458
(g) Other financial assets	2,492	1,180
	615,373	598,354
2 Non-financial Assets		
(a) Current tax assets (Net)	569	774
(b) Deferred tax assets (Net)	7,300	4,156
(c) Property, plant and equipment	915	1,245
(d) Capital work-in-progress	-	1
(e) Other intangible assets	80	91
(f) Right of Use Assets	2,174	2,524
	11,038	8,791
TOTAL ASSETS	626,411	607,145
EQUITY AND LIABILITIES		
3 Financial Liabilities		
(a) Derivative financial instruments	427	-
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	0	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,342	1,500
(c) Debt securities	238,021	225,934
(d) Borrowings (other than debt securities)	225,691	235,802
(e) Subordinated liabilities	39,876	36,305
(f) Other financial liabilities	28,449	22,544
	535,807	522,085
4 Non-Financial Liabilities		
(a) Current tax liabilities (net)	1,731	746
(b) Provisions	3,198	2,869
(c) Other non-financial liabilities	1,213	1,267
	6,142	4,882
5 Equity		
(a) Equity share capital	7,892	7,876
(b) Other equity	76,570	72,302
	84,462	80,178
TOTAL EQUITY AND LIABILITIES	626,411	607,145

Notes:

- 1 HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 2 The standalone annual financial results for the quarter, half year and year ended 31 March 2021, which have been subjected to audit by the Statutory Auditors of the Company, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 17 April 2021, in terms of Regulations 33 and 52 of the Securities and Exchange Board of India (Listing and Other Disclosure Requirements) Regulations, 2015.
- 3 The standalone annual financial results have been prepared in accordance with and comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The standalone annual financial statements, used to prepare the standalone annual financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- 4 The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published reviewed year-to-date figures upto third quarter of the relevant financial year. The figures for the half year ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and the published reviewed year-to-date figures upto half year ended 30 September 2020 and 30 September 2019 respectively.
- 5 Other equity include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium and retained earnings.
- 6 The Company had recognized provision on loans for which moratorium was granted in accordance with the COVID-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. The provision amount is reviewed regularly and is adjusted against the ECL provision when these loans are classified as impaired.
- 7 During the year ended 31 March 2021, the Company has restructured loan accounts vide Reserve Bank of India circulars on Resolution framework for COVID-19 related stress and restructuring of advances for MSME Sector dated 6 August 2020. The Company has considered these accounts as 'restructured' in accordance with Ind-AS 109, and basis such significant increase in credit risk has recognized incremental provision on such restructured accounts in accordance with its Expected Credit Loss policy.
- 8 The Honourable Supreme Court of India vide order dated 23 March 2021 has stated that interim relief granted vide an interim order dated 3 September 2020 stands vacated. Accordingly, the Company has classified and recognised provision as at 31 March 2021 in accordance with the Company's Expected Credit Loss policy.

RBI circular dated 7 April 2021 advised all lending institutions to immediately put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. 1 March 2020 to 31 August 2020 in conformity with the above judgement. Further, the circular stated that in order to ensure that the Supreme Court judgement dated 23 March 2021 is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by all lending institutions and also advised all lending institutions to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ended 31 March 2021. Pending clarification on the calculation methodology of the amount to be refunded/adjusted from IBA, the Company has made a provision in the financial statements as at 31 March 2021 based on proforma calculation.

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts. The Company had implemented the ex-gratia scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.
- 9 Earnings per equity share for the quarter ended 31 March 2021, 31 December 2020 and 31 March 2020 and for half year ended 31 March 2021 and 31 March 2020 have not been annualised.
- 10 The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.
- 11 The statement of standalone cash flow is attached as Annexure 1.
- 12 The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 2.
- 13 The Company is a 'Large Corporate' as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 and the disclosure in terms of the said SEBI circular is attached as Annexure 3.
- 14 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per Annexure 4 attached and has been made to the stock exchanges.
- 15 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- 16 The Secured listed Non-Convertible Debentures of the Company are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the amount outstanding.
- 17 Previous year figures have been regrouped/rearranged, where necessary.

By Order of the Board

For **HDB Financial Services Limited**

RAMESH
GANESAN

Digitally signed by RAMESH GANESAN
DN: cn=RAMESH,
serial=408011, c=IN, email=RAMESH.GANESAN@hdbfsl.com,
o=HDB Financial Services Limited, ou=HDB Financial Services Limited,
email=info@hdbfsl.com, c=IN

Ramesh G.

Managing Director

DIN : 05291597

Date : 17 April 2021

Place : Mumbai

HDB Financial Services Limited

Annexure 1

Statement of Standalone Cash Flow

for the year ended 31 March 2021

(Rupees in million)

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020	
	Audited	Audited	
Cash flow from operating activities			
Profit before tax	5,007	14,645	
Adjustments for			
(Profit)/loss on sale of asset	19	(2)	
Interest expenses	38,572	37,967	
Interest income	(84,879)	(82,335)	
Realised net (gain)/ loss on FVTPL investments	(798)	(439)	
Unrealised (gain)/loss on FVTPL investments	(51)	(19)	
Discount on commercial paper	257	2,847	
Impairment on financial instruments	30,655	14,416	
Provision for compensated absence and gratuity	158	162	
Employee share based payment expenses	136	112	
Rent expenses reversal	(618)	(558)	
Depreciation, amortization and impairment	1,078	1,097	
Operating cash flow before working capital changes	(10,464)	(12,107)	
Adjustments for working capital changes:			
(Increase)/ decrease in trade receivables	661	(668)	
(Increase)/decrease in other financial assets and others	(654)	(2,073)	
(Increase)/decrease in Loans	(44,822)	(46,083)	
Increase/(decrease) in other financial and non financial liabilities & provisions	78	(17,684)	
Increase/(decrease) in trade payables	1,842	(2,449)	
Interest paid	(36,953)	(32,968)	
Interest received	84,475	81,343	
Cash generated from operations	(5,837)	(32,689)	
Direct taxes paid (net of refunds)	1,800	2,370	
Net cash flow generated from/(used in) operating activities	A	(4,037)	(30,319)
Cash flow from investing activities			
Purchase of fixed assets	(246)	(728)	
Proceeds from sale of fixed assets	4	5	
Purchase of investments mutual fund	(155,575)	(166,787)	
Proceeds of investments mutual fund	157,132	155,471	
Net cash generated from/(used in) investing activities	B	1,315	(12,039)
Cash flow from financing activities			
Proceeds from issue of shares and security premium	369	335	
Debt securities issued	105,411	94,260	
Debt securities repaid	(93,789)	(111,530)	
Borrowings other than debt securities issued	93,093	246,796	
Borrowings other than debt securities repaid	(101,952)	(193,020)	
Subordinated debt issued	3,565	7,435	
Dividend and tax paid on dividend	-	(1,705)	
Net cash generated from/(used in) financing activities	C	6,697	42,571
Net increase/(decrease) in cash and cash equivalents	A+B+C	3,975	213
Add : Cash and cash equivalents as at the beginning of the year		3,560	3,347
Cash and cash equivalents as at the end of the year*		7,535	3,560
*Components of cash and cash equivalents			
Balances with banks		6,504	3,477
Demand drafts on hand		129	24
Cash on hand		296	59
Collateral with banks for derivative		606	-
		7,535	3,560

HDB Financial Services Limited

Annexure 2

Standalone Segment Reporting

for the year ended 31 March 2021

(Rupees in million)

S.N.	Particulars	Quarter ended			Half Year ended		Year ended	
		31-Mar-2021 Audited	31-Dec-2020 Reviewed	31-Mar-2020 Audited	31-Mar-2021 Audited	31-Mar-2020 Audited	31-Mar-2021 Audited	31-Mar-2020 Audited
i.	Segment Revenue							
	Lending business	23,379	21,925	22,342	45,304	44,498	89,244	86,433
	BPO Services	5,509	4,922	5,644	10,431	11,016	20,204	21,132
	Unallocated	-	-	-	-	-	-	-
	Income from Operations	28,888	26,847	27,986	55,735	55,514	109,448	107,565
ii.	Segment Results							
	Lending business	6,891	(2,558)	2,831	4,333	6,929	4,460	13,670
	BPO Services	147	248	246	395	417	1,037	1,043
	Unallocated	(250)	182	(30)	(68)	204	(490)	(68)
	Profit before tax	6,788	(2,128)	3,047	4,660	7,550	5,007	14,645
	Income Tax expenses							
	Current tax	2,356	817	1,875	3,173	2,667	4,191	4,718
	Deferred tax Asset	(685)	(1,483)	(1,170)	(2,168)	(890)	(3,099)	(121)
	Net Profit	5,117	(1,462)	2,342	3,655	5,773	3,915	10,048
iii.	Capital Employed							
	Segment assets							
	Lending business	616,945	607,613	599,890	616,945	599,890	616,945	599,890
	BPO Services	1,475	1,985	2,167	1,475	2,167	1,475	2,167
	Unallocated	7,991	6,508	5,088	7,991	5,088	7,991	5,088
	Total Assets	626,411	616,106	607,145	626,411	607,145	626,411	607,145
	Segment Liabilities							
	Lending business	538,863	534,293	522,811	538,863	522,811	538,863	522,811
	BPO Services	504	1,117	2,161	504	2,161	504	2,161
	Unallocated	2,582	1,484	1,995	2,582	1,995	2,582	1,995
	Total Liabilities	541,949	536,894	526,967	541,949	526,967	541,949	526,967
	Net Segment assets / (liabilities)	84,462	79,212	80,178	84,462	80,178	84,462	80,178

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Managing Director ('MD') of the Company has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Company is organised primarily into two operating segments, i.e. Lending business and BPO services. Lending business includes providing finance to retail customers for a variety of purposes like purchase of commercial equipment and commercial vehicles, personal purposes, enterprise loans, etc. Revenue from lending business includes (i) interest income and processing fees net of loan origination costs, (ii) collection-related charges like cheque bouncing charges, late payment charges and foreclosure charges, and (iii) insurance commission. BPO services comprises of sales support services, back office, operations, processing support, running collection call centres and collecting overdue amounts from borrowers.

Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

HDB Financial Services Limited

Annexure 3

Disclosure pursuant to SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018
for the year ended 31 March 2021

Annexure A

Sr. No.	Particulars	Details
1	Name of the Company	HDB Financial Services Limited
2	CIN	U65993GJ2007PLC051028
3	Outstanding borrowing of Company as on 31st March (Rs in cr)	48220.56
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	CRISIL AAA/Stable and CARE AAA/Stable
5	Name of Stock Exchange# in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE

We confirm that we are a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26 November 2018.

Annexure B1

- Name of the Company: HDB Financial Services Limited
- CIN: U65993GJ2007PLC051028
- Report filed for FY: 2020-21
- Details of the borrowings:

(Rupees in crore)

S. No.	Particulars	Details
i.	Incremental borrowing done in FY (a)	15,887.50
ii.	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	3,971.88
iii.	Actual borrowings done through debt securities in FY (c)	10,347.50
iv.	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b-c)	Nil
v.	Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

Annexure C

Company Name	HDB Financial Services Limited
Credit Rating of unsupported bank borrowing or plain vanilla bonds	CRISIL AAA/Stable and CARE AAA/Stable
Security Listed	Debt securities
Financial Year format	01 April - 31 March

For FY 2020 and 2021 (all figures in Rs crore)

Current FY	2020	2021
Outstanding borrowing as on March 31st of previous FY	42,729.98	47,222.20
Whether framework applicable?	Yes	Yes
Incremental borrowing in the current FY (a)	20,914.50	15,887.50
Mandatory borrowing through debt securities in the current FY (b) = (25% of a)	5,228.63	3,971.88
Actual borrowings done through debt securities in the current FY (c)	8,139.50	10,347.50
Shortfall in the mandatory borrowing through debt securities, if any, for the current FY (d) = (b-c)	Nil	Nil
Compliance Status	Complied with the requirement of 25% borrowing through issuance of debt securities.	Complied with the requirement of 25% borrowing through issuance of debt securities.

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KHANDELWAL
Dipti Khandelwal
Company Secretary
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HAREN
PAREKH
Haren Parekh
Chief Financial Officer
Tel: +912249116767

Date : 17 April 2021

HDB Financial Services Limited

Annexure 4

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021

a) **Credit rating**

The Credit Analysis & Research Limited (CARE) and CRISIL Limited (CRISIL) have assigned following ratings to the Company:

Facility	CARE	CRISIL
Bank facilities	AAA/Stable	AAA/Stable
Non-convertible debentures	AAA/Stable	AAA/Stable
Short term debt program	A1+	A1+
Subordinated bond issue	AAA/Stable	AAA/Stable
Perpetual bond issue	AAA/Stable	AAA/Stable
Market Linked Debentures	PP-MLD AAA/Stable	PP-MLD AAAr/Stable

b) **Asset cover available**

Not applicable

c) **Debt-Equity ratio***

The debt-equity ratio of the Company as per the audited standalone financial results by statutory auditors for the year ended 31 March 2021 is 6.53

d) **Previous due date for the payment of interest/dividend for non-convertible redeemable preference shares / repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not.**

The Company has paid interest and principal on non-convertible debentures on due dates and the said details of previous six months are provided at Appendix A. The Company has not issued any non-convertible redeemable preference shares.

e) **Next due date for the payment of interest/dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount.**

The due dates of interest and principal payment on non-convertible debentures during next six months along with the amount are provided at Appendix B. The Company has not issued any non-convertible redeemable preference shares.

f) **Debt service coverage ratio**

Not applicable

g) **Interest service coverage ratio**

Not applicable

h) **Outstanding redeemable preference shares (quantity and value)**

Not applicable

i) **Capital redemption reserve / Debenture redemption reserve**

Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.

j) **Net worth****

Rs. 77,162 millions

k) **Net profit after tax**

Rs.3,915 millions

l) **Earnings per share**

- Basic - Rs. 4.97
- Diluted - Rs. 4.97

* Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Networth

** Networth is equal to paid up equity share capital plus other equity less deferred tax

HDB Financial Services Limited

Appendix A

Details of payment of interest/principal of the secured listed non-convertible debentures in accordance with Regulation 52(4)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rupees in million)

Sr. no.	Series Id	ISIN no.	Previous due date		Payment status
			Interest	Principle	
1	NCD Series 113	INE756I07BQ3	20-Oct-20	20-Oct-20	Paid
2	NCD Series 131 (FI of 113)	INE756I07BQ3	20-Oct-20	20-Oct-20	Paid
3	NCD Series 154	INE756I07DG0	26-Oct-20	-	Paid
4	NCD Series 114	INE756I07BR1	18-Nov-20	18-Nov-20	Paid
5	NCD Series 142	INE756I07CV1	18-Nov-20	-	Paid
6	NCD Series 146 A	INE756I07CV1	18-Nov-20	-	Paid
7	NCD Series 145	INE756I07CW9	19-Nov-20	-	Paid
8	NCD Series 147 A	INE756I07CW9	19-Nov-20	-	Paid
9	NCD Series 151 B	INE756I07DB1	3-Dec-20	-	Paid
10	NCD Series 116	INE756I07BT7	7-Dec-20	7-Dec-20	Paid
11	NCD Series 131 (FI of 116)	INE756I07BT7	7-Dec-20	7-Dec-20	Paid
12	NCD Series 146 B	INE756I07CX7	25-Dec-20	-	Paid
13	NCD Series 147 B	INE756I07CX7	25-Dec-20	-	Paid
14	NCD Series 117	INE756I07BU5	15-Jan-21	-	Paid
15	NCD Series 149 B	INE756I07CZ2	20-Jan-21	-	Paid
16	MLD Sr 2	INE756I07CN8	4-Feb-21	4-Feb-21	Paid
17	NCD Series 148	INE756I07CY5	16-Feb-21	-	Paid
18	NCD Series 132	INE756I07CM0	18-Feb-21	18-Feb-21	Paid
19	NCD Series 133 (FI I of 132)	INE756I07CM0	18-Feb-21	18-Feb-21	Paid
20	NCD Series 151 B	INE756I07DB1	3-Mar-21	-	Paid
21	NCD Series 133	INE756I07CO6	12-Mar-21	-	Paid
22	NCD Series 125	INE756I07CE7	26-Mar-21	-	Paid
23	Sub Debt Series 4	INE756I08041	18-Oct-20	-	Paid
24	Sub Debt Series 8	INE756I08082	13-Nov-20	-	Paid
25	Sub Debt Series 15	INE756I08173	15-Nov-20	-	Paid
26	Sub Debt Series 9	INE756I08090	17-Nov-20	-	Paid
27	Sub Debt Series 2	INE756I08025	30-Nov-20	-	Paid
28	Sub Debt Series 11	INE756I08116	7-Dec-20	-	Paid
29	Sub Debt Series 5	INE756I08058	21-Dec-20	-	Paid
30	Sub Debt Series 12	INE756I08124	1-Feb-21	-	Paid
31	Sub Debt Series 13	INE756I08132	21-Feb-21	-	Paid
32	Sub Debt Series 6	INE756I08066	18-Mar-21	-	Paid
33	Sub Debt Series 3	INE756I08033	22-Mar-21	-	Paid
34	Perpetual Debt Series 4	INE756I08207	29-Nov-20	-	Paid

HDB Financial Services Limited

Appendix B

Details of payment of interest/principal of the secured listed non-convertible debentures in accordance with Regulation 52(4)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rupees in million)

Sr. no.	Series Id	ISIN no.	Next due date along with amount		
			Due date	Interest amount	Principal amount
1	NCD Series 118 B	INE756I07BW1	6-Apr-21	814.46	2,990.00
2	NCD Series 117	INE756I07BU5	15-Apr-21	28.39	1,450.00
3	NCD Series 150	INE756I07DA3	17-Apr-21	553.02	-
4	NCD Series 131	INE756I07CK4	4-May-21	341.70	-
5	NCD Series 138 A	INE756I07BV3	10-May-21	1,050.97	3,730.00
6	NCD Series 135	INE756I07CQ1	17-May-21	579.22	6,650.00
7	NCD Series 155	INE756I07DH8	25-May-21	228.82	-
8	NCD Series 151 B	INE756I07DB1	3-Jun-21	66.20	-
9	NCD Series 119	INE756I07BX9	8-Jun-21	2,200.81	7,600.00
10	NCD Series 134	INE756I07CP3	17-Jun-21	687.87	-
11	NCD Series 120 A	INE756I07BY7	27-Jun-21	695.99	-
12	NCD Series 152	INE756I07DC9	29-Jun-21	876.00	-
13	NCD Series 120 A	INE756I07BY7	7-Jul-21	19.07	7,900.00
14	NCD Series 121	INE756I07CA5	12-Jul-21	416.86	5,750.00
15	NCD Series 157	INE756I07DJ4	26-Jul-21	467.65	-
16	NCD Series 153 A	INE756I07DE5	27-Jul-21	947.32	-
17	NCD Series 139	INE756I07DI6	6-Aug-21	481.68	-
18	NCD Series 153 B	INE756I07DD7	24-Aug-21	509.84	-
19	NCD Series 138	INE756I07CS7	25-Aug-21	429.60	-
20	NCD Series 141	INE756I07CU3	28-Aug-21	225.40	-
21	NCD Series 151 B	INE756I07DB1	3-Sep-21	132.40	-
22	NCD Series 123	INE756I07CC1	9-Sep-21	486.96	5,520.00
23	Sub Debt Series 16	INE756I08181	7-Jun-21	481.00	-
24	Sub Debt Series 7	INE756I08074	21-Jun-21	194.53	-
25	Sub Debt Series 10	INE756I08108	22-Jul-21	193.38	-
26	Sub Debt Series 14	INE756I08140	27-Jul-21	226.25	-
27	Sub Debt Series 1	INE756I08157	6-Aug-21	188.00	-
28	Sub Debt Series 1	INE756I08017	9-Aug-21	255.00	-
29	Sub Debt Series 3	INE756I08199	16-Aug-21	87.00	-
30	Sub Debt Series 2	INE756I08165	7-Sep-21	91.50	-
31	MLD Series 3	INE756I07CR9	4-Jun-21	208.12	1,250.00
32	CP Series 197	INE756I14CV7	6-Aug-21	-	1,000.00

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report on Consolidated Annual Financial Results under Regulation 33 and Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021

Independent Auditors' Report

To the Board of Directors of HDB Financial Services Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of HDB Financial Services Limited (hereinafter referred to as the "Holding Company") and its controlled structure entities (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2021 attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of financial information of controlled structure entities prepared and furnished to us by the management, the consolidated annual financial results:

- a. includes the results of the following entities:
 - i. HDB Financial Services Limited – Holding Company
 - ii. Venus Trust November 2018 Series 1 - Controlled Structure Entity
 - iii. Venus Trust November 2018 Series 2 - Controlled Structure Entity
 - iv. Venus Trust March 2019 - Controlled Structure Entity
 - v. Venus Trust June 2019 - Controlled Structure Entity
 - vi. Venus Trust December 2019 - Controlled Structure Entity
 - vii. Venus Trust March 2020 - Controlled Structure Entity
 - viii. Venus Trust September 2020 – Controlled Structure Entity
 - ix. Venus Trust March 2021 – Controlled Structure Entity
- b. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations, as amended; and

Independent Auditors' Report (*Continued*)

HDB Financial Services Limited

Opinion (*Continued*)

- c. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence obtained by us along with the consideration of paragraph (a) of the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated financial statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results in terms of the requirement of the Act that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. The respective management of the controlled structured entities, included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation and presentation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the management of the controlled structured entities in the Group is responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The management of the controlled structured entities included in the Group is responsible for overseeing the financial reporting process of each entity.

Independent Auditors' Report (*Continued*)

HDB Financial Services Limited

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting in preparation of consolidated annual financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results, of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

Independent Auditors' Report (*Continued*)

HDB Financial Services Limited

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (*Continued*)

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- (a) The consolidated annual financial results include the unaudited financial results of 8 controlled structure entities, whose financial information reflect Group's share of total assets of Rs.Nil as at 31 March 2021, Group's share of total revenue of Rs.Nil and Group's share of total net profit after tax of Rs.Nil, and Group's share of net cash outflows of Rs.Nil for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial information have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these controlled structure entities is based solely on such annual financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the financial information certified by the Board of Directors.

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2021 and those of the corresponding quarter ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year which were subject to limited review by us. The consolidated annual financial results include the results for the half year ended 31 March 2021, and those of the corresponding half year ended 31 March 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the second quarter of the relevant financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

AKHEEL ABBAS
MASTER

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AKHEEL ABBAS MASTER
Date: 2021.04.17
22:49:31 +05'30'

Akeel Master

Partner

Mumbai
17 April 2021

Membership No: 046768
UDIN: 21046768AAAABO3899

Audited Consolidated Annual Financial Results
for the quarter, half year and year ended 31 March 2021

Particulars	Quarter ended			Half Year ended		Year ended	
	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
I Revenue from operations							
Interest income	22,025	20,470	21,325	42,495	42,315	84,879	82,335
Sale of services	5,509	4,922	5,644	10,431	11,016	20,204	21,132
Other financial charges	1,366	1,327	966	2,693	2,167	4,051	4,083
Net gain on fair value changes	3	147	83	150	83	400	188
Net gain/(loss) on derecognised financial instruments	(15)	(19)	(32)	(34)	(67)	(86)	(173)
Total Revenue from operations	28,888	26,847	27,986	55,735	55,514	109,448	107,565
II Expenses							
Finance Costs	9,035	9,610	10,146	18,645	20,638	38,829	40,814
Impairment on financial instruments	4,290	10,239	5,047	14,529	7,629	30,688	14,416
Employee benefits expenses	7,073	7,721	8,250	14,794	16,592	29,556	31,956
Depreciation, amortization and impairment	257	272	279	529	569	1,078	1,097
Others expenses	1,445	1,133	1,217	2,578	2,536	4,290	4,637
Total expenses	22,100	28,975	24,939	51,075	47,964	104,441	92,920
III Profit before tax (I-II)	6,788	(2,128)	3,047	4,660	7,550	5,007	14,645
IV Tax expense:							
a. Current tax	2,356	817	1,875	3,173	2,667	4,191	4,718
b. Deferred tax	(685)	(1,483)	(1,170)	(2,168)	(890)	(3,099)	(121)
Total tax expense	1,671	(666)	705	1,005	1,777	1,092	4,597
V Net Profit for the period (III-IV)	5,117	(1,462)	2,342	3,655	5,773	3,915	10,048
VI Other Comprehensive Income (net of tax)	-	266	(531)	266	(391)	(135)	(550)
VII Total Comprehensive Income (after tax) (V-VI)	5,117	(1,196)	1,811	3,921	5,382	3,780	9,498
VIII Earnings per equity share (Refer Note 9)							
a. Basic (in Rupees)	6.49	(1.86)	2.98	4.64	7.34	4.97	12.78
b. Diluted (in Rupees)	6.49	(1.86)	2.97	4.64	7.33	4.97	12.77
Face value per share (in Rupees)	10	10	10	10	10	10	10

Statement of Consolidated Assets and Liabilities
as at 31 March 2021

Particulars	(Rupees in million)	
	As at 31 Mar 2021	As at 31 Mar 2020
	Audited	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	7,535	3,560
(b) Bank balances other than cash and cash equivalents	2,229	2,072
(c) Derivative financial instruments	-	813
(d) Trade receivables	1,173	1,812
(e) Loans	586,014	571,459
(f) Investments	15,929	17,458
(g) Other financial assets	2,492	1,180
	615,373	598,354
2 Non-financial Assets		
(a) Current tax assets (Net)	569	774
(b) Deferred tax assets (Net)	7,300	4,156
(c) Property, plant and equipment	915	1,245
(d) Capital work-in-progress	-	1
(e) Other intangible assets	80	91
(f) Right of Use Assets	2,174	2,524
	11,038	8,791
TOTAL ASSETS	626,411	607,145
EQUITY AND LIABILITIES		
3 Financial Liabilities		
(a) Derivative financial instruments	427	-
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	0	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,342	1,500
(c) Debt securities	238,021	225,934
(d) Borrowings (other than debt securities)	225,691	235,802
(e) Subordinated liabilities	39,876	36,305
(f) Other financial liabilities	28,449	22,544
	535,807	522,085
4 Non-Financial Liabilities		
(a) Current tax liabilities (net)	1,731	746
(b) Provisions	3,198	2,869
(c) Other non-financial liabilities	1,213	1,267
	6,142	4,882
5 Equity		
(a) Equity share capital	7,892	7,876
(b) Other equity	76,570	72,302
	84,462	80,178
TOTAL EQUITY AND LIABILITIES	626,411	607,145

Notes:

- 1 HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 2 The consolidated annual financial results for the quarter, half year and year ended 31 March 2021, which have been subjected to audit by the Statutory Auditors of the Company, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 17 April 2021, in terms of Regulations 33 and 52 of the Securities and Exchange Board of India (Listing and Other Disclosure Requirements) Regulations, 2015.
- 3 The consolidated annual financial results have been prepared in accordance with and comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The consolidated annual financial statements, used to prepare the consolidated annual financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- 4 The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published reviewed year-to-date figures upto third quarter of the relevant financial year. The figures for the half year ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures in respect of the full financial year and the published reviewed year-to-date figures upto half year ended 30 September 2020 and 30 September 2019 respectively.
- 5 Other equity include Statutory Reserve as per Section 451C of Reserve Bank of India Act, 1934, balance in securities premium and retained earnings.
- 6 The Company had recognized provision on loans for which moratorium was granted in accordance with the COVID-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. The provision amount is reviewed regularly and is adjusted against the ECL provision when these loans are classified as impaired.
- 7 During the year ended 31 March 2021, the Company has restructured loan accounts vide Reserve Bank of India circulars on Resolution framework for COVID-19 related stress and restructuring of advances for MSME Sector dated 6 August 2020. The Company has considered these accounts as 'restructured' in accordance with Ind-AS 109, and basis such significant increase in credit risk has recognized incremental provision on such restructured accounts in accordance with its Expected Credit Loss policy.
- 8 The Honourable Supreme Court of India vide order dated 23 March 2021 has stated that interim relief granted vide an interim order dated 3 September 2020 stands vacated. Accordingly, the Company has classified and recognised provision as at 31 March 2021 in accordance with the Company's Expected Credit Loss policy.

RBI circular dated 7 April 2021 advised all lending institutions to immediately put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. 1 March 2020 to 31 August 2020 in conformity with the above judgement. Further, the circular stated that in order to ensure that the Supreme Court judgement dated 23 March 2021 is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association (IBA) in consultation with other industry participants/bodies, which shall be adopted by all lending institutions and also advised all lending institutions to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ended 31 March 2021. Pending clarification on the calculation methodology of the amount to be refunded/adjusted from IBA, the Company has made a provision in the financial statements as at 31 March 2021 based on proforma calculation.

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts. The Company had implemented the ex-gratia scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.
- 9 Earnings per equity share for the quarter ended 31 March 2021, 31 December 2020 and 31 March 2020 and for half year ended 31 March 2021 and 31 March 2020 have not been annualised.
- 10 The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards Provident Fund and Gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed after which the financial impact can be ascertained. The Company will complete its evaluation and will give appropriate impact, if any, in the financial result following the Code becoming effective and the related rules being framed and notified.
- 11 The statement of consolidated cash flow is attached as Annexure 1.
- 12 The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 2.
- 13 The Company is a 'Large Corporate' as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 and the disclosure in terms of the said SEBI circular is attached as Annexure 3.
- 14 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per Annexure 4 attached and has been made to the stock exchanges.
- 15 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- 16 The Secured listed Non-Convertible Debentures of the Company are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the amount outstanding.
- 17 Previous year figures have been regrouped/rearranged, where necessary.

By Order of the Board

For **HDB Financial Services Limited**

**RAMESH
GANESAN**

Signature of Ramesh Ganesan
The above signature is for the purpose of
certification of the financial statements
of the Company for the year ended 31 March 2021
and is not to be used for any other purpose.

Ramesh G.

Managing Director

DIN : 05291597

Date : 17 April 2021

Place : Mumbai

HDB Financial Services Limited

Annexure 1

Statement of Consolidated Cash Flow

for the year ended 31 March 2021

(Rupees in million)

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
	Audited	Audited
Cash flow from operating activities		
Profit before tax	5,007	14,645
Adjustments for		
(Profit)/loss on sale of asset	19	(2)
Interest expenses	38,572	37,967
Interest income	(84,879)	(82,335)
Realised net (gain)/ loss on FVTPL investments	(798)	(439)
Unrealised (gain)/loss on FVTPL investments	(51)	(19)
Discount on commercial paper	257	2,847
Impairment on financial instruments	30,655	14,416
Provision for compensated absence and gratuity	158	162
Employee share based payment expenses	136	112
Rent expenses reversal	(618)	(558)
Depreciation, amortization and impairment	1,078	1,097
Operating cash flow before working capital changes	(10,464)	(12,107)
Adjustments for working capital changes:		
(Increase)/ decrease in trade receivables	661	(668)
(Increase)/decrease in other financial assets and others	(654)	(2,073)
(Increase)/decrease in Loans	(44,822)	(46,083)
Increase/(decrease) in other financial and non financial liabilities & provisions	78	(17,684)
Increase/(decrease) in trade payables	1,842	(2,449)
Interest paid	(36,953)	(32,968)
Interest received	84,475	81,343
Cash generated from operations	(5,837)	(32,689)
Direct taxes paid (net of refunds)	1,800	2,370
Net cash flow generated from/(used in) operating activities	(4,037)	(30,319)
Cash flow from investing activities		
Purchase of fixed assets	(246)	(728)
Proceeds from sale of fixed assets	4	5
Purchase of investments mutual fund	(155,575)	(166,787)
Proceeds of investments mutual fund	157,132	155,471
Net cash generated from/(used in) investing activities	1,315	(12,039)
Cash flow from financing activities		
Proceeds from issue of shares and security premium	369	335
Debt securities issued	105,411	94,260
Debt securities repaid	(93,789)	(111,530)
Borrowings other than debt securities issued	93,093	246,796
Borrowings other than debt securities repaid	(101,952)	(193,020)
Subordinated debt issued	3,565	7,435
Dividend and tax paid on dividend	-	(1,705)
Net cash generated from/(used in) financing activities	6,697	42,571
Net increase/(decrease) in cash and cash equivalents	3,975	213
Add : Cash and cash equivalents as at the beginning of the year	3,560	3,347
Cash and cash equivalents as at the end of the year*	7,535	3,560
*Components of cash and cash equivalents		
Balances with banks	6,504	3,477
Demand drafts on hand	129	24
Cash on hand	296	59
Collateral with banks for derivative	606	-
	7,535	3,560

HDB Financial Services Limited

Annexure 2

Consolidated Segment Reporting

for the year ended 31 March 2021

(Rupees in million)

S.N.	Particulars	Quarter ended			Half Year ended		Year ended	
		31-Mar-2021 Audited	31-Dec-2020 Reviewed	31-Mar-2020 Audited	31-Mar-2021 Audited	31-Mar-2020 Audited	31-Mar-2021 Audited	31-Mar-2020 Audited
i.	Segment Revenue							
	Lending business	23,379	21,925	22,342	45,304	44,498	89,244	86,433
	BPO Services	5,509	4,922	5,644	10,431	11,016	20,204	21,132
	Unallocated	-	-	-	-	-	-	-
	Income from Operations	28,888	26,847	27,986	55,735	55,514	109,448	107,565
ii.	Segment Results							
	Lending business	6,891	(2,558)	2,831	4,333	6,929	4,460	13,670
	BPO Services	147	248	246	395	417	1,037	1,043
	Unallocated	(250)	182	(30)	(68)	204	(490)	(68)
	Profit before tax	6,788	(2,128)	3,047	4,660	7,550	5,007	14,645
	Income Tax expenses							
	Current tax	2,356	817	1,875	3,173	2,667	4,191	4,718
	Deferred tax Asset	(685)	(1,483)	(1,170)	(2,168)	(890)	(3,099)	(121)
	Net Profit	5,117	(1,462)	2,342	3,655	5,773	3,915	10,048
iii.	Capital Employed							
	Segment assets							
	Lending business	616,945	607,613	599,890	616,945	599,890	616,945	599,890
	BPO Services	1,475	1,985	2,167	1,475	2,167	1,475	2,167
	Unallocated	7,991	6,508	5,088	7,991	5,088	7,991	5,088
	Total Assets	626,411	616,106	607,145	626,411	607,145	626,411	607,145
	Segment Liabilities							
	Lending business	538,863	534,293	522,811	538,863	522,811	538,863	522,811
	BPO Services	504	1,117	2,161	504	2,161	504	2,161
	Unallocated	2,582	1,484	1,995	2,582	1,995	2,582	1,995
	Total Liabilities	541,949	536,894	526,967	541,949	526,967	541,949	526,967
	Net Segment assets / (liabilities)	84,462	79,212	80,178	84,462	80,178	84,462	80,178

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Managing Director ('MD') of the Company has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Company is organised primarily into two operating segments, i.e. Lending business and BPO services. Lending business includes providing finance to retail customers for a variety of purposes like purchase of commercial equipment and commercial vehicles, personal purposes, enterprise loans, etc. Revenue from lending business includes (i) interest income and processing fees net of loan origination costs, (ii) collection-related charges like cheque bouncing charges, late payment charges and foreclosure charges, and (iii) insurance commission. BPO services comprises of sales support services, back office, operations, processing support, running collection call centres and collecting overdue amounts from borrowers.

Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

Annexure 3

Annexure A

We confirm that we are a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HQ/DDHS/CIR/P/2018/144 dated 26 November 2018.

Annexure B1

- (Rupees in crore)

Annexure CFor FY 2020 and 2021 (all figures in Rs crore)

DIPTI KHADELWAL

HAREN
PAREKH

Digitally signed by HAREN PAREKH
DN: cn=, o=Personal, postalCode=400006,
st=MAHARASHTRA,
serialNumber=c9544c68da592a50827ad1
00bdcf535689fb69eda2678bdf157abc174
40d, cn=HAREN PAREKH

Date : 17 April 2021

HDB Financial Services Limited

Annexure 4

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021

a) **Credit rating**

The Credit Analysis & Research Limited (CARE) and CRISIL Limited (CRISIL) have assigned following ratings to the Company:

Facility	CARE	CRISIL
Bank facilities	AAA/Stable	AAA/Stable
Non-convertible debentures	AAA/Stable	AAA/Stable
Short term debt program	A1+	A1+
Subordinated bond issue	AAA/Stable	AAA/Stable
Perpetual bond issue	AAA/Stable	AAA/Stable
Market Linked Debentures	PP-MLD AAA/Stable	PP-MLD AAAr/Stable

b) **Asset cover available**

Not applicable

c) **Debt-Equity ratio***

The debt-equity ratio of the Company as per the audited consolidated financial results by statutory auditors for the year ended 31 March 2021 is 6.53

d) **Previous due date for the payment of interest/dividend for non-convertible redeemable preference shares / repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not.**

The Company has paid interest and principal on non-convertible debentures on due dates and the said details of previous six months are provided at Appendix A. The Company has not issued any non-convertible redeemable preference shares.

e) **Next due date for the payment of interest/dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount.**

The due dates of interest and principal payment on non-convertible debentures during next six months along with the amount are provided at Appendix B. The Company has not issued any non-convertible redeemable preference shares.

f) **Debt service coverage ratio**

Not applicable

g) **Interest service coverage ratio**

Not applicable

h) **Outstanding redeemable preference shares (quantity and value)**

Not applicable

i) **Capital redemption reserve / Debenture redemption reserve**

Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.

j) **Net worth****

Rs. 77,162 millions

k) **Net profit after tax**

Rs.3,915 millions

l) **Earnings per share**

- Basic - Rs. 4.97
- Diluted - Rs. 4.97

* Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Networth

** Networth is equal to paid up equity share capital plus other equity less deferred tax

HDB Financial Services Limited

Appendix A

Details of payment of interest/principal of the secured listed non-convertible debentures in accordance with Regulation 52(4)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rupees in million)

Sr. no.	Series Id	ISIN no.	Previous due date		Payment status
			Interest	Principle	
1	NCD Series 113	INE756I07BQ3	20-Oct-20	20-Oct-20	Paid
2	NCD Series 131 (FI of 113)	INE756I07BQ3	20-Oct-20	20-Oct-20	Paid
3	NCD Series 154	INE756I07DG0	26-Oct-20	-	Paid
4	NCD Series 114	INE756I07BR1	18-Nov-20	18-Nov-20	Paid
5	NCD Series 142	INE756I07CV1	18-Nov-20	-	Paid
6	NCD Series 146 A	INE756I07CV1	18-Nov-20	-	Paid
7	NCD Series 145	INE756I07CW9	19-Nov-20	-	Paid
8	NCD Series 147 A	INE756I07CW9	19-Nov-20	-	Paid
9	NCD Series 151 B	INE756I07DB1	3-Dec-20	-	Paid
10	NCD Series 116	INE756I07BT7	7-Dec-20	7-Dec-20	Paid
11	NCD Series 131 (FI of 116)	INE756I07BT7	7-Dec-20	7-Dec-20	Paid
12	NCD Series 146 B	INE756I07CX7	25-Dec-20	-	Paid
13	NCD Series 147 B	INE756I07CX7	25-Dec-20	-	Paid
14	NCD Series 117	INE756I07BU5	15-Jan-21	-	Paid
15	NCD Series 149 B	INE756I07CZ2	20-Jan-21	-	Paid
16	MLD Sr 2	INE756I07CN8	4-Feb-21	4-Feb-21	Paid
17	NCD Series 148	INE756I07CY5	16-Feb-21	-	Paid
18	NCD Series 132	INE756I07CM0	18-Feb-21	18-Feb-21	Paid
19	NCD Series 133 (FI I of 132)	INE756I07CM0	18-Feb-21	18-Feb-21	Paid
20	NCD Series 151 B	INE756I07DB1	3-Mar-21	-	Paid
21	NCD Series 133	INE756I07CO6	12-Mar-21	-	Paid
22	NCD Series 125	INE756I07CE7	26-Mar-21	-	Paid
23	Sub Debt Series 4	INE756I08041	18-Oct-20	-	Paid
24	Sub Debt Series 8	INE756I08082	13-Nov-20	-	Paid
25	Sub Debt Series 15	INE756I08173	15-Nov-20	-	Paid
26	Sub Debt Series 9	INE756I08090	17-Nov-20	-	Paid
27	Sub Debt Series 2	INE756I08025	30-Nov-20	-	Paid
28	Sub Debt Series 11	INE756I08116	7-Dec-20	-	Paid
29	Sub Debt Series 5	INE756I08058	21-Dec-20	-	Paid
30	Sub Debt Series 12	INE756I08124	1-Feb-21	-	Paid
31	Sub Debt Series 13	INE756I08132	21-Feb-21	-	Paid
32	Sub Debt Series 6	INE756I08066	18-Mar-21	-	Paid
33	Sub Debt Series 3	INE756I08033	22-Mar-21	-	Paid
34	Perpetual Debt Series 4	INE756I08207	29-Nov-20	-	Paid

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Appendix B

Details of payment of interest/principal of the secured listed non-convertible debentures in accordance with Regulation 52(4)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rupees in million)

Sr. no.	Series Id	ISIN no.	Next due date along with amount		
			Due date	Interest amount	Principal amount
1	NCD Series 118 B	INE756I07BW1	6-Apr-21	814.46	2,990.00
2	NCD Series 117	INE756I07BU5	15-Apr-21	28.39	1,450.00
3	NCD Series 150	INE756I07DA3	17-Apr-21	553.02	-
4	NCD Series 131	INE756I07CK4	4-May-21	341.70	-
5	NCD Series 138 A	INE756I07BV3	10-May-21	1,050.97	3,730.00
6	NCD Series 135	INE756I07CQ1	17-May-21	579.22	6,650.00
7	NCD Series 155	INE756I07DH8	25-May-21	228.82	-
8	NCD Series 151 B	INE756I07DB1	3-Jun-21	66.20	-
9	NCD Series 119	INE756I07BX9	8-Jun-21	2,200.81	7,600.00
10	NCD Series 134	INE756I07CP3	17-Jun-21	687.87	-
11	NCD Series 120 A	INE756I07BY7	27-Jun-21	695.99	-
12	NCD Series 152	INE756I07DC9	29-Jun-21	876.00	-
13	NCD Series 120 A	INE756I07BY7	7-Jul-21	19.07	7,900.00
14	NCD Series 121	INE756I07CA5	12-Jul-21	416.86	5,750.00
15	NCD Series 157	INE756I07DJ4	26-Jul-21	467.65	-
16	NCD Series 153 A	INE756I07DE5	27-Jul-21	947.32	-
17	NCD Series 139	INE756I07DI6	6-Aug-21	481.68	-
18	NCD Series 153 B	INE756I07DD7	24-Aug-21	509.84	-
19	NCD Series 138	INE756I07CS7	25-Aug-21	429.60	-
20	NCD Series 141	INE756I07CU3	28-Aug-21	225.40	-
21	NCD Series 151 B	INE756I07DB1	3-Sep-21	132.40	-
22	NCD Series 123	INE756I07CC1	9-Sep-21	486.96	5,520.00
23	Sub Debt Series 16	INE756I08181	7-Jun-21	481.00	-
24	Sub Debt Series 7	INE756I08074	21-Jun-21	194.53	-
25	Sub Debt Series 10	INE756I08108	22-Jul-21	193.38	-
26	Sub Debt Series 14	INE756I08140	27-Jul-21	226.25	-
27	Sub Debt Series 1	INE756I08157	6-Aug-21	188.00	-
28	Sub Debt Series 1	INE756I08017	9-Aug-21	255.00	-
29	Sub Debt Series 3	INE756I08199	16-Aug-21	87.00	-
30	Sub Debt Series 2	INE756I08165	7-Sep-21	91.50	-
31	MLD Series 3	INE756I07CR9	4-Jun-21	208.12	1,250.00
32	CP Series 197	INE756I14CV7	6-Aug-21	-	1,000.00