

- i. Series 2021 A/1(FX)/169_Option 1_1
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HDB FINANCIAL SERVICES LIMITED
CIN: U65993GJ2007PLC051028
RBI Registration Number: N.01.00477
PAN Number: AABCH8761M

(Incorporated on June 4, 2007, in Ahmedabad, 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:** +91 079-30482717
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;
Compliance Officer: Ms. Dipti Khandelwal, **Contact details of Compliance Officer:** 022-49116368
e-mail: compliance@hdbfs.com

Tranche Placement Memorandum for Series 2021 / 169 under Shelf Placement Memorandum dated August 20, 2021

Date: September 09, 2021

Type of Placement Memorandum: Private Placement

Private Placement of upto 14000 (including green shoe Option) Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("Series 2021 / 169 Debentures") of the face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each for cash aggregating upto Rs. 300,00,00,000/- (Rupees Three Hundred Crore Only) with Green Shoe Option of upto Rs. 1100,00,00,000/- (Rupees One Thousand One Hundred Crore Only) to retain total subscription upto Rs. 1400,00,00,000/- (Rupees One Thousand Four Hundred Crore only) issued under the Shelf Placement Memorandum dated August 20, 2021 as amended / supplemented from time to time.

This Tranche Placement Memorandum is issued in terms of and pursuant to the Shelf Placement Memorandum dated August 20, 2021. All the terms, conditions, information and stipulations contained in the Shelf Placement Memorandum are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same. This Tranche Placement Memorandum must be read in conjunction with the Shelf Placement Memorandum and the Private Placement Offer Cum Application Letter. All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Shelf Placement Memorandum.

This Tranche Placement Memorandum contains details of this Tranche of private placement of Series 2021 / 169 Debentures and any material changes in the information provided in the Shelf Placement Memorandum, as set out herein. Accordingly, set out below are the updated particulars / changes in the particulars set out in the Shelf Placement Memorandum, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Placement Memorandum. All other particulars appearing in the Shelf Placement Memorandum shall remain unchanged.

CREDIT RATING

Details of credit rating along with reference to the rating letter issued (not older than one month on the date of the opening the issue) by the rating agencies in relation to the Issue is disclosed as follows. The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted (not older than one year on the date of opening of the Issue) is also disclosed:

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 and 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

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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

Date of Rating Letters: September 03, 2021 by CARE Ratings Limited and September 07, 2021 by CRISIL Ratings Limited

Date of Rating Rational/Press Release of Ratings: July 02, 2021 & July 16, 2021 by CARE Ratings Limited and August 13, 2021 by CRISIL Ratings

Press Release and Rating Rationale: As Annexed hereto

SECTION I

UPDATED FINANCIAL INFORMATION

Any changes in Section F (*Financial Information*) of the Shelf Placement Memorandum:

I. Gross Debt: Equity Ratio of the Company

Before the Issue	6.15
After the Issue	6.33

II. A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the issue opening date, as applicable.

Standalone Audited Financial Statement

There is no change in the audited financial statements provided in the Shelf Placement Memorandum.

Consolidated

As on even date the Issuer does not have any subsidiary. The standalone and consolidated financial information would be the same and the Financial Information as disclosed above shall apply.

III. Any other changes

Any other changes in the information contained in the Shelf Placement Memorandum:

The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price (as on date)	Non-Convertible Debentures issued at face value i.e. Rs.10,00,000/- each:				
	Type of security	Nature of Issue	Number of Investors	No of Securities	Issue Price (In Rs.)
	Non Convertible Debenture	Private Placement	23	42910	10,00,000.00
	Non Convertible Debenture	Private Placement	3	2500	10,31,120.79

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Sr. No	Category	Pre-issue		Post-issue	
		No. of shares held	(%) of shareholding	No. of shares held	(%) of shareholding
A	Promoters' holding			The shareholding pattern of the Company shall remain unchanged after the Issue. The Debentures being non-convertible, 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.	
1	Indian				
	Individual	-	-		
	Bodies Corporate	75,05,96,670	95.11		
	Sub-total	75,05,96,670	95.11		
2	Foreign promoters	-	-		
	Sub-total (A)	75,05,96,670	95.11		
B	Non-promoters' holding				
1	Institutional Investors	11,00,000	0.14		
2	Non-Institutional Investors	-	-		
	Private Corporate Bodies	7,36,781	0.09		
	Directors and relatives	7,20,500	0.09		
	Indian public	3,47,57,659	4.40		
	Others (including Non-resident Indians)	12,73,606	0.16		
	Sub-total (B)	3,85,88,546	4.89		
	Grand Total	78,91,85,216	100.00		

SECTION II

OTHER MATERIAL CHANGES

Any other material changes in the information contained in the Shelf Placement Memorandum:

None

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SECTION II

SUMMARY TERM SHEET


Option 1 - Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1

Option 2 - Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2

Option 3 - Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	HDB/5.49%/Annual/2024_Series 2021 A/1(FX)/169_Option 1 HDB/0%/Discount/2026_Series 2021 A/0(ZC)/169_Option 2 HDB/6.35%/Annual/2026_Series 2021 A/1(FX)/169_Option 3
Issuer	HDB Financial Services Limited
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-convertible Debentures.
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph "Who can apply" of the Shelf Placement Memorandum dated August 20, 2021
Details of Arrangers (if any)	<p>Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: Name: A. K. Capital Services Limited</p>  <p>Regd. Address: 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021, India Corporate Address: 30-38, 3rd Floor, Free Press House, Free Press Journal Marg, 215, Nariman Point, Mumbai - 400021, India Name of contact person: Ms. Shraddha Joshi E-mail: shraddha.joshi@akgroup.co.in Fax: +91-22-66100594 Tel No: Board: +91-22-67546500 Website: www.akgroup.co.in</p> <p>Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: Name: Derivium Tradition Securities (India) Private Limited</p>  <p>Regd. Address: Eucharistic Congress III, 10 Flr, 5 Convent Road, Colaba, Mumbai - 400 039 Corporate Address: Eucharistic Congress III, 10 Flr, 5 Convent Road, Colaba, Mumbai - 400 039 Name of contact person: Dhwanil Meghani E-mail: dmeghani@deriviumcap.com Fax: 022 6606 4601 Tel No: 0 22 6606 4775 / 776 Website: www.deriviumcap.com</p>

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	<p>Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: Name: Axis Bank Limited</p>  <p>Regd. Address: Axis House, 4th Floor, Tower 4, Sector-128, Noida-201304 Corporate Address: Axis House, 4th Floor, Tower 4, Sector-128, Noida-201304 Name of contact person: Premanshu Sharma E-mail: Premanshu.Sharma@axisbank.com Fax: 0120-6210860 (D) Tel No: 9999055026 Website: www.axisbank.com</p>
Listing	<p>The Series 2021/169 Debentures is proposed to be listed on the Wholesale Debt Market (WDM) Segment of the BSE Ltd within a maximum period of 4 (Four) trading days from the Issue Closing Date. BSE has given its in-principle approval to list the NCDs issued under this Tranche in terms of the Shelf Placement Memorandum vide its letter dated August 20, 2021.</p> <p>In accordance with the SEBI Debt Listing Regulations, in case of a delay by the Company in listing this Tranche Debentures beyond 4 (Four) trading days from the Issue Closing 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 Tranche Debentures; and (ii) be permitted to utilize 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 Tranche Debentures.</p>
Rating of the Instrument	<p>CARE Ratings Ltd. 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 the long term Non-Convertible Debenture issue programme aggregating upto Rs.7500 Crore, of the Company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.</p>
Issue Size	<p>The aggregate size of the Issue is for upto Rs. 7500,00,00,000/- (Rupees Seven Thousand and Five Hundred Crores only) out of which this Issue of Series 2021/169 Debentures is for upto Rs. 300,00,00,000/- (Rupees Three Hundred Crore Only) with Green Shoe Option of upto Rs. 1100,00,00,000/- (Rupees One Thousand One Hundred Crore Only) to retain total subscription upto Rs. 1400,00,00,000/- (Rupees One Thousand Four Hundred Crore only) in the manner as specified in the Section 'Base Issue and Green Shoe Option' below.</p>
Option to retain oversubscription (Amount)	<p>Yes, Green Shoe Option of upto Rs. 1100,00,00,000/- (Rupees One Thousand One Hundred Crore Only)</p>
Past Issue history	<p>NA</p>
Base Issue and Green Shoe Option	<p>Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) with Green Shoe Option of upto Rs. 600,00,00,000/- (Rupees Six Hundred Crore Only) to retain total subscription upto Rs. 700,00,00,000/- (Rupees Seven Hundred Crore only)</p> <p>Series 2021 / 169 - Series 2021 A/0(ZC)/169_Option 2: Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) with Green Shoe Option of upto Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) to retain total subscription upto Rs. 200,00,00,000/- (Rupees Two Hundred Crore only)</p> <p>Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 3: Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) with Green Shoe Option of upto Rs. 400,00,00,000/- (Rupees Four Hundred Crore Only) to retain total subscription upto Rs. 500,00,00,000/- (Rupees Five Hundred Crore only)</p>

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Minimum Subscription	Rs. 1,00,00,000/- (Rupees One Crore Only) i.e. 10 Debentures								
Objects of the Issue / Purpose for which there is requirement of funds	<p>The proceeds of the Issue comprising of this Tranche would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the business capital requirements of the Company, and for the general corporate purposes of the Company.</p> <p>The funds raised through the Issue will be utilized as per the section "Utilisation of the Proceeds" stipulated below.</p>								
Details of the utilization of the Proceeds.	<p>The Company shall endeavour to utilise the funds raised through the Issue as mentioned below:</p> <table border="1"> <thead> <tr> <th>Purpose</th><th>Percentage of fund raised</th></tr> </thead> <tbody> <tr> <td>For disbursements of loans</td><td>40</td></tr> <tr> <td>For refinancing existing borrowings</td><td>40</td></tr> <tr> <td>For general corporate purposes</td><td>20</td></tr> </tbody> </table> <p>(The Issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".)</p>	Purpose	Percentage of fund raised	For disbursements of loans	40	For refinancing existing borrowings	40	For general corporate purposes	20
Purpose	Percentage of fund raised								
For disbursements of loans	40								
For refinancing existing borrowings	40								
For general corporate purposes	20								
In case the Issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	The proceeds of the Issue will not be utilised for providing loans to any group company.								
Consolidation of ISINs	The Company shall have the right/shall be entitled to add additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISINs from time to time in accordance with the terms as set out in the Shelf Placement Memorandum.								
Interest/Coupon Rate	<p>Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 1: 5.49% p.a.</p> <p>Series 2021 / 169 - Series 2021 A/0(ZC)/169_Option 2: Zero Coupon (xirr-6.35%)</p> <p>Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 3: 6.35% p.a.</p>								
Step Up/Step Down Coupon Rate	NA								
Coupon Payment Frequency	<p>Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 1: Annually</p> <p>Series 2021 / 169 - Series 2021 A/0(ZC)/169_Option 2: N.A.</p> <p>Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 3: Annually</p>								
Coupon Payment Dates	<p>Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 1: Tuesday, September 13, 2022, Wednesday, September 13, 2023, And on maturity i.e. Friday, September 13, 2024</p> <p>Series 2021 / 169 - Series 2021 A/0(ZC)/169_Option 2: N.A.</p> <p>Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 3: Tuesday, September 13, 2022, Wednesday, September 13, 2023, Friday, September 13, 2024,</p>								

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	Saturday, September 13, 2025, And on maturity i.e. Friday, September 11, 2026
Coupon Type	Series 2021 A/1(FX)/169_Option 1: Fixed Series 2021 A/0(ZC)/169_Option 2: Zero Coupon Series 2021 A/1(FX)/169_Option 3: Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	NA
Day Count Basis	Actual/ Actual
Interest on Application Money	Interest at the respective Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Tranche Debentures for the period starting from and including the date of realization of application money in the Issuer's bank account up to one day prior to the Deemed Date of Allotment.
Default Interest Rate	<p>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.</p> <p>Where the Company fails to execute the trust deed within the period specified in the Companies Act, the Company shall also pay interest of at least 2% (Two Percent) per annum or such other rate, as specified by SEBI to the Tranche Debenture Holders, over and above the Coupon Rate, till the execution of the Trust Deed.</p>
Tenor	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: 1096 days from the deemed date of allotment i.e. Monday, September 13, 2021 Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: 1747 days from the deemed date of allotment i.e. Monday, September 13, 2021 Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: 1824 days from the deemed date of allotment i.e. Monday, September 13, 2021
Redemption Date	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: Friday, September 13, 2024 Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: Friday, June 26, 2026 Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: Friday, September 11, 2026
Redemption Amount	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Redemption Premium/ Discount	Nil
Issue Price	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: Rs.7,44,777/- (Rupees Seven Lakhs Forty Four Thousand Seven Hundred Seventy Seven Only) per Debenture Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture

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Pay-in Amount	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: Rs.10,00,000/- per debenture Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: Rs.7,44,777/- per debenture Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: Rs.10,00,000/- per debenture
Premium /Discount at which security is issued and the effective yield as a result of such Premium /discount.	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: NA Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: Issued at Discount of Rs. 2,55,223/-per debenture. Effective Yield- 6.35% Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: NA
Put Option Date	NA
Put Option Price	NA
Call Option Date	NA
Call Option Price	NA
Put Notification Time	NA
Call Notification Time	NA
Rollover Option	NA
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Minimum Application and in multiples of __ Debt securities thereafter	10 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: 10.00 am to 11.00 am Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: 10.00 am to 11.00 am Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: 10.00 am to 11.00 am
Issue/ Bid Opening Date	Thursday, September 09, 2021
Issue/ Bid Closing Date	Thursday, September 09, 2021
Date of earliest closing of the issue, if any.	NA
Pay-in Date	Monday, September 13, 2021
Deemed Date of Allotment	Monday, September 13, 2021
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	<p>The pay-in of subscription monies for the Tranche 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 EBP into the account of the relevant clearing corporation, as specified below.</p> <p>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.</p>
Depository(ies)	NSDL and CDSL
Business Day	Means any day of the week (excluding non-working Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) in Mumbai and any other day on which banks are closed for customer business in Mumbai) on which the money market is functioning in Mumbai and "Business Days" shall be construed accordingly.
Business Day Convention	If any Coupon Payment Date in respect of the Tranche Debentures falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such

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	<p>payment, however, the dates of the future Coupon payments in respect of such Tranche Debentures would be as per the schedule originally stipulated in the relevant Tranche Placement Memorandum. 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.</p> <p>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 Tranche Debentures falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment.</p>
Disclosure of Interest/Dividend / redemption dates	Please see the section on ' Coupon Rate ' and ' Redemption Date ' above.
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 1 to the 'Summary Term Sheet' under the Shelf Placement Memorandum.
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/Shelf Placement Memorandum.	<p>Description of Security</p> <p>The Debentures being issued under this Tranche Placement Memorandum 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 Debenture Trust Deed and/ or the Deed of Hypothecation.</p> <p>Asset Cover and its maintenance</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 under the relevant Tranche Placement Memorandum ("Asset Cover").</p> <p>The Company shall, prior to the issue of Tranche 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 Debenture Trust Deed or the relevant Tranche Placement Memorandum. Each Supplemental Receivables Schedule shall form an integral part of the Deed of Hypothecation 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 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 Tranche Placement Memorandum. Pursuant to the Top-up, the Company shall take</p>

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	<p>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. 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 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), and as also set out in detail under the terms of the Debenture Trustee Agreement.</p>
Transaction Documents	<p>Shelf Placement Memorandum, Tranche Placement Memorandum, Deed of Hypothecation, Debenture Trust Deed, Debenture Trustee Agreement and the Private Placement Offer Cum Application Letter, as amended from time to time, and any other document that may be</p>

- i. Series 2021 A/1(FX)/169_Option 1_1
- ii. Series 2021 A/0(ZC)/169_Option 2_1
- iii. Series 2021 A/1(FX)/169_Option 3_1

	designated by the Debenture Trustee as a Transaction Document.
Conditions Precedent to Disbursement	<p>The Issuer shall deliver to the Debenture Trustee, a certified true copy of the Issuer's constitutional documents, registration certificate and certificate of incorporation, as amended up-to-date;</p> <ul style="list-style-type: none"> (i) The Issuer shall deliver to the Debenture Trustee, consent letter from the Debenture Trustee conveying their consent to act as Debenture Trustees for the Debenture Holder(s); (ii) The Issuer shall deliver to the Debenture Trustee, a certified true copy of the resolution of the Board of Directors authorising the issue of Debentures and also the execution of the necessary documents in that behalf; (iii) The Issuer shall obtain the in-principle approval for listing the Debentures on the WDM segment of the Stock Exchange; (iv) The Issuer shall deliver to the Debenture Trustee, a copy of the rating letters in relation to the Debentures issued by the Rating Agencies; (v) Due Diligence Certificate with respect to the Debentures. <p>Such other Conditions Precedent as set out in the Transaction Documents.</p>
Conditions Subsequent to Disbursement	<ul style="list-style-type: none"> (i) Filing of the relevant documents required to be filed with the Registrar of Companies, <i>inter alia</i>, the return of allotment within the timelines specified under the Act and the rules made thereunder; (ii) Completion of listing of the Debentures on the WDM segment of the Stock Exchange; (iii) Credit of the Debentures in the demat account(s) of the allottees; <p>Such other Conditions Subsequent as set out in the Transaction Documents.</p>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	As per Note 2 of the Shelf Placement Memorandum.
Creation of recovery expense fund	<p>Details and purpose of the recovery expense fund:</p> <p>The Company has created a recovery expense fund with BSE and shall maintain the fund in the manner as specified in the SEBI Circular dated October 22, 2020 vide reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 and as may be supplemented or amended from time to time, and inform the Debenture Trustee about the same.</p> <p>The recovery expense fund may be utilized by the Debenture Trustee upon occurrence of an Event of Default, for taking appropriate legal actions to enforce the Security in accordance with the relevant SEBI circulars.</p>
Conditions for breach of covenants (as specified in Trust Deed)	As set out under the head "All covenants of Issue" and "Events of Default" in the Shelf Placement Memorandum.
Provisions related to Cross Default Clause	Nil
Role and Responsibilities of Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents.
Risk factors pertaining to the Issue	As per the "Risk Factors" mentioned in Section O below.
Governing Law and Jurisdiction	The Issue shall be governed by and construed in accordance with Indian Law. Please also refer to "Governing law" provisions set out below.
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). Such due diligence certificate is annexed hereto.
Manner of bidding in the issue	Open bidding
Manner of settlement	Through Indian Clearing Corporation Limited (ICCL)
Settlement cycle	Settlement shall be on T+1 day

- i. Series 2021 A/1(FX)/169_Option 1_1
- ii. Series 2021 A/0(ZC)/169_Option 2_1
- iii. Series 2021 A/1(FX)/169_Option 3_1

Manner of allotment	Uniform Price (Fixed Rate bidding)		
Minimum Bid Lot	Rs.1,00,00,000 (Rupees One Crore Only) and in the Multiples of Rs.10,00,000/- (Rupees Ten Lakhs Only) thereafter.		
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 VI of the Shelf Placement Memorandum.		
Terms of raising of securities	Mode of Payment	NEFT / RTGS	
	Mode of Repayment	Electronic clearing services (ECS)/credit through RTGS system/funds transfer	
The Issuer shall maintain hundred per cent. asset cover sufficient to discharge the principal amount at all times for the non-convertible debt securities issued. The Company shall provide a half-yearly certificate regarding maintenance of hundred percent asset cover including compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results.			

General Notes:

- a. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change shall be disclosed by the Company.
- b. The list of documents which has been executed in connection with the issue and subscription of debt securities is annexed with this Tranche Placement Memorandum.
- c. While the debt securities are secured to the tune of 110% of the principal and interest amount or as per the terms of the Disclosure Documents, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the Security is maintained.

Illustration of Cashflows

Name of the Issuer	HDB Financial Services Limited
Security Name	HDB/5.49%/Annual/2024_Series 2021 A/1(FX)/169_Option 1 HDB/0%/Discount/2026_Series 2021 A/0(ZC)/169_Option 2 HDB/6.35%/Annual/2026_Series 2021 A/1(FX)/169_Option 3
Face Value (per security)	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Deemed Date of Allotment	Monday, September 13, 2021
Tenor	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: 1096 days from the deemed date of allotment i.e. Monday, September 13, 2021 Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: 1747 days from the deemed date of allotment i.e. Monday, September 13, 2021 Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: 1824 days from the deemed date of allotment i.e. Monday, September 13, 2021

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- ii. Series 2021 A/0(ZC)/169_Option 2_1
- iii. Series 2021 A/1(FX)/169_Option 3_1

	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: Friday, September 13, 2024
	Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: Friday, June 26, 2026
Redemption Date	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: Friday, September 11, 2026
	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: 5.49% p.a.
	Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: Zero Coupon (xirr-6.35%)
Coupon Rate	Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: 6.35% p.a.
Frequency of the interest payment with specified dates	<p>Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1: Payable Annually, Tuesday, September 13, 2022, Wednesday, September 13, 2023 And on maturity i.e. Friday, September 13, 2024</p> <p>Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2: N.A.</p> <p>Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3: Payable Annually, Tuesday, September 13, 2022, Wednesday, September 13, 2023, Friday, September 13, 2024, Saturday, September 13, 2025 And on maturity i.e. Friday, September 11, 2026</p>
Day Count Convention	Actual/Actual

NCD Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1:

Cash Flows	Date	Day	No. Of Days in Coupon Period	Amount in Rupees per debenture of Rs.10 lakh
1 st coupon	September 13, 2022	Tuesday	365	54,900.00
2 nd coupon	September 13, 2023	Wednesday	365	54,900.00
3 rd coupon	September 13, 2024	Friday	366	54,900.00
Principal Repayment	September 13, 2024	Friday	N.A.	10,00,000.00

- i. Series 2021 A/1(FX)/169_Option 1_1
- ii. Series 2021 A/0(ZC)/169_Option 2_1
- iii. Series 2021 A/1(FX)/169_Option 3_1

NCD Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2:

Cash Flows	Date	Day	No. Of Days in Coupon Period	Amount in Rupees per debenture of Rs.10 lakh
Principal Inflow	September 13, 2021	Monday	N.A.	7,44,777.00
Principal Repayment	June 26, 2026	Friday	N.A.	10,00,000.00

NCD Series 2021 / 169 - Series 2021 A/1(FX)/169_Option 3:

Cash Flows	Date	Day	No. Of Days in Coupon Period	Amount in Rupees per debenture of Rs.10 lakh
1 st coupon	September 13, 2022	Tuesday	365	63,500.00
2 nd coupon	September 13, 2023	Wednesday	365	63,500.00
3 rd coupon	September 13, 2024	Friday	366	63,500.00
4 th coupon	September 13, 2025	Saturday	365	63,500.00
5 th coupon	September 11, 2026	Friday	363	63,152.05
Principal Repayment	September 11, 2026	Friday	N.A.	10,00,000.00

MANNER OF SETTLEMENT

- The eligible investors should complete the funds pay-in to the designated bank account of the Indian Clearing Corporation Ltd (ICCL) by 10:30 am on T+1 day.
- The participants must ensure to do the funds pay-in from the same bank account which is updated by them in the EBP platform while placing the bids.
- The Designated Bank Accounts of ICCL are as under:

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
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

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- iii. Series 2021 A/1(FX)/169_Option 3_1

- In the event of the issue getting withdrawn, the funds refund would be initiated on T+1 day.
- In case of mismatch in the bank account details between bidding platform and the bank account from which payment is done by the eligible investors, the payment would be returned back. Further, pay-in received from any other bank account may lead to cancellation of bid and consequent debarment of the bidder from accessing EBP Platform for 30 days.
- Securities Settlement: Depositories will credit the securities to the demat account of the respective investor.

For HDB Financial Services Limited

Authorised Signatory

Name: Haren Parekh

Title: Chief Financial Officer

Date: September 09, 2021

Encl: Due Diligence Certificate issued by the Debenture Trustee

- i. Series 2021 A/1(FX)/169_Option 1_1
- ii. Series 2021 A/0(ZC)/169_Option 2_1
- iii. Series 2021 A/1(FX)/169_Option 3_1

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154



32302/ITSL/OPR/2021-22

To,
BSE Limited
25th Floor, P.J. Towers, Dalal Street,
Mumbai – 400 001

**DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT
OFFER DOCUMENT OR INFORMATION MEMORANDUM**

Dear Sir/Madam,

SUB: The total issue size aggregating upto INR 1600 crores (to be issued in one or more tranche/series) under
Umbrella Consent of INR 7,500 crores by HDB Financial Services Limited.

We, the debenture trustee(s) to the above mentioned forthcoming issue state as follows:

1. We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
2. On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
 - a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
 - b) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.
 - c) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
 - d) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum.
 - e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

You are requested to refer our letter enclosed herewith.

PLACE: Mumbai

DATE: September 07, 2021

For IDBI Trusteeship Services Limited

Aditya Kapil
Sr. 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

- i. Series 2021 A/1(FX)/169_Option 1_1
- ii. Series 2021 A/0(ZC)/169_Option 2_1
- iii. Series 2021 A/1(FX)/169_Option 3_1

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154

Ref.: 32302(A)/ITSL/OPR/2021-22

To,

SECURITIES AND EXCHANGE BOARD OF INDIA



DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE BEFORE OPENING OF THE ISSUE

Dear Sir/Madam,

SUB: The total issue size aggregating upto INR 1600 crores (to be issued in one or more tranche/series) under Umbrella Consent of INR 7,500 crores by HDB Financial Services Limited.

We, the Debenture Trustee (s) to the above mentioned forthcoming issue state as follows:

- (1) We have examined documents pertaining to the said issue and other such relevant documents.
- (2) On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents, WE CONFIRM that:
 - (a) The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
 - (b) The issuer has obtained the permissions / consents necessary for creating security on the said property (ies).
 - (c) The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.
 - (d) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue.

PLACE: Mumbai

DATE: September 07, 2021

For IDBI Trusteeship Services Limited

Aditya Kapil
Sr. Vice President

Regd. Office : Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
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Website : www.idbitrustee.com