



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:** 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 / 174 under Shelf Placement Memorandum dated August 20, 2021

Date: December 06, 2021

Type of Placement Memorandum: Private Placement

Private Placement of upto 13120 (including Green Shoe Option) Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("Series 2021 / 174 Debentures") of the face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each for cash aggregating upto Rs.100,00,00,000/- (Rupees One Hundred Crore Only) with Green Shoe Option of upto Rs. 1212,00,00,000/- (Rupees One Thousand Two Hundred Twelve Crore Only) to retain total subscription upto Rs. 1312,00,00,000/- (Rupees One Thousand Three Hundred Twelve 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 / 173 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.

The Issue does not form part of non-equity regulatory capital mentioned under Chapter V (Issuance and Listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The face value of each Debenture issued on private placement basis under this Tranche Placement Memorandum shall be Rs.10,00,000/-.

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 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: November 17, 2021 by CARE Ratings Limited and December 01, 2021 by CRISIL Ratings Limited
Date of Rating Rational/Press Release of Ratings: October 13, 2021 & September 23, 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	6.10
After the Issue	6.26

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. Unaudited financial information for stub period.

[Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the placement memorandum, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in placement memorandum including risk factors.]

Standalone Un-audited Financial Statement

Balance Sheet (Currency: Indian Rupees in Crore)		Half Year ended September 30, 2021 (Reviewed)
ASSETS		
Financial Assets		
(a)	Cash and cash equivalents	348.74
(b)	Bank balances other than cash and cash equivalents	219.91
(c)	Derivative financial instruments	-

(c)	Trade receivables	120.65
(d)	Loans	56,076.84
(e)	Investments	2,817.65
(f)	Other financial assets	329.23
Sub total		59,913.04
Non-financial Assets		
(a)	Current tax assets (Net)	99.04
(b)	Deferred tax assets (Net)	853.68
(c)	Property, plant and equipment	78.85
(d)	Capital work-in-progress	-
(e)	Other intangible assets	7.14
(f)	Right of Use Assets	209.56
Sub total		1,248.26
TOTAL ASSETS		61,161.31
LIABILITIES AND EQUITY		
Liabilities		
Financial Liabilities		
(a)	Derivative financial instruments	3.84
(b)	Trade payables	-
(i)	Total outstanding dues of micro enterprises and small enterprises	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	186.27
(c)	Debt securities	25,784.17
(d)	Borrowings (other than debt securities)	19,489.26
(e)	Subordinated liabilities	3,988.66
(f)	Other financial liabilities	2,426.12
Sub total		51,878.32
Non-Financial Liabilities		
(a)	Current tax liabilities (net)	106.06
(b)	Provisions	221.94
(c)	Other non-financial liabilities	236.00
Subtotal		563.99
Equity		
(a)	Equity share capital	789.19
(b)	Other equity	7,929.81
Subtotal		8,718.99

TOTAL LIABILITIES AND EQUITY	61,161.31

Profit and Loss statement (Currency: Indian Rupees in Crore)		Quarter ended September 30, 2021 (Reviewed)	Half Year ended September 30, 2021 (Reviewed)
I	Revenue from operations		
	Interest income	2,059.47	4,223.15
	Sale of services	575.72	1,131.30
	Other financial charges	129.08	218.42
	Net gain on fair value changes	8.66	15.44
	Net gain/(loss) on derecognized financial instruments	(1.96)	(2.90)
	Total Revenue from operations	2,059.47	5,585.41
II	Expenses		
	Finance Costs	854.32	1,727.63
	Impairment on financial instruments	633.93	1,503.49
	Employee Benefits Expenses	865.59	1,687.82
	Depreciation, amortization and impairment	24.82	49.68
	Others expenses	140.36	248.38
	Total Expenses	2,519.02	5,216.99
III	Profit before tax (I-II)	251.96	368.42
IV	Tax Expense:		
	a Current tax	140.40	205.24
	b Deferred tax	(80.09)	(117.10)
	Total Tax expense	60.31	88.14
V	Net Profit for the period (III-IV)	191.67	280.28
VI	Other Comprehensive Income (net of tax)	(0.56)	(19.57)
VII	Total Comprehensive Income (after tax) (V-VI)	191.11	260.70
VIII	Earnings per equity share		
	(a) Basic (in Rupees)	2.43	3.55
	(b) Diluted (in Rupees)	2.43	3.55
	(c) Face value per share (in Rupees)	10	10

Cash Flow Statement Currency: Indian Rupees in Crore)		Half Year ended September 30, 2021 (Reviewed)
(A) Cash flow from operating activities		
Profit before tax		368.42
Adjustments for		-
(Profit)/loss on sale of asset		0.40
Interest expenses		1,730.74
Interest income		(4,223.15)
Realized net (gain)/ loss on FVTPL investments		(40.26)
Unrealized (gain)/loss on FVTPL investments		(0.36)
Discount on commercial paper		7.33
Impairment on financial instruments		1,503.49
Provision for compensated absence and gratuity		84.06
Employee share based payment expenses		12.01
Rent expenses reversal		(31.06)
Depreciation, amortization and impairment		49.68
Operating cash flow before working capital changes		(538.71)
Adjustments for working capital changes:		
(Increase)/ decrease in trade receivables		(3.33)
(Increase)/decrease in other financial assets and others		(194.73)
(Increase)/decrease in Loans		1,010.27
Increase/(decrease) in other financial and non financial liabilities & provisions		(512.36)
Increase/(decrease) in trade payables		(147.99)
Interest paid		(2,137.06)
Interest received		4,232.05
Cash generated from operations		1,708.15
Direct taxes paid (net of refunds)		169.97
Net cash flow generated from/(used in) operating activities	A	1,878.12
(B) Cash flow from investing activities		
Purchase of fixed assets		(12.49)

Proceeds from sale of fixed assets		0.58
Purchase of investments mutual fund		(11,810.42)
Proceeds of investments mutual fund		10,641.29
Net cash generated from/(used in) investing activities	B	(1,181.04)
(C) Cash flow from financing activities		
Increase/(Decrease) in Debt securities (net)		2,047.00
Increase/(Decrease) in Borrowings other than debt securities (net)		(3,148.85)
Net cash generated from/(used in) financing activities	C	(1,101.85)
		-
Net increase/(decrease) in cash and cash equivalents	A+B+C	(404.77)
Add : Cash and cash equivalents as at the beginning of the year		753.51
Cash and cash equivalents as at the end of the year*		348.74
*Components of cash and cash equivalents		
Balances with banks		257.97
Demand drafts on hand		7.76
Cash on hand		30.39
Collateral with banks for derivative		52.62
		348.74

Note: There was no auditor's qualification. Limited Review Report can be accessed at:

HY 2021-22 : <https://www.hdbfs.com/sites/default/files/reports/Unaudited-QTY-&-HY-Financial-Results.pdf>

Consolidated Unaudited Financial Statements

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) Key Operational and Financial Parameters on a Consolidated and Standalone Basis:

For Financial Sector Entities:

Standalone Basis (Amt in Crore)

<u>Particular</u>	<u>Sept 2021 (Reviewed)</u>
Balance Sheet	
Net Fixed assets	85.99
Current assets	23,121.05

Non-current assets	37,954.27
Total assets	61,161.31
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)	
Financial (borrowings, trade payables, and other financial liabilities)	35,753.43
Provisions	53.57
Deferred tax liabilities (net)	-
Other non-current liabilities	606.19
Current Liabilities (including maturities of long-term borrowings)	
Financial (borrowings, trade payables, and other financial liabilities)	13,698.78
Provisions	168.37
Current tax liabilities (net)	106.06
Other current liabilities	2,055.92
Equity (equity and other equity)	8,718.99
Total equity and liabilities	61,161.31
Profit and Loss	
Total revenue	5585.40
From operations	5569.97
Other income	15.44
Total Expenses	5216.99
Total comprehensive income (total revenue- total expense)	368.41
Profit / loss after tax	280.28
Other comprehensive income	-19.57
Total Comprehensive income for the year	260.71
Earnings per equity share: (a) basic; and (b) diluted	
Continuing operations (Basic) in Rs.	3.55
Continuing operations (Diluted) in Rs.	3.55
Discontinued operations	
Total Continuing and discontinued operations	260.71
Cash Flow	
Net cash generated from operating activities	1878.12
Net cash used in /generated from investing activities	-1181.04
Net cash used in financing activities	-1101.85
Cash and cash equivalents	753.51
Balance as per statement of cash flows	348.74
Additional Information	
Net worth	7,865.31
Cash and Cash Equivalents	348.74
Current Investments	2,693.69
Assets Under Management	60,176.34
Off Balance Sheet Assets	140.80
Total Debts to Total assets	0.80

Debt Service Coverage Ratios [(Cash Profit after tax + interest paid) / interest paid]	1.19
Interest Income	4,223.15
Interest Expense	1,727.63
Interest service coverage ratio [(Cash Profit after tax + interest paid) / interest paid]	1.19
Provisioning & Write-offs	1,503.49
Bad debts to Account receivable ratio	0.06
Gross NPA (%)	6.06%
Net NPA (%)	2.72%
Tier I Capital Adequacy Ratio (%)	14.32%
Tier II Capital Adequacy Ratio (%)	5.48%

Key Operational and Financial Parameters on a Consolidated Basis:

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.

IV. Any other changes

Any other changes in the information contained in the Shelf Placement Memorandum:
None

SECTION II

OTHER MATERIAL CHANGES

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

I. Changes in Section D of the Shelf Placement Memorandum:

Details of Statutory Auditors:

Statutory Auditors	<p>Name: M/s Khimji Kunverji & Co. LLP</p>  <p>Regd office: Level-19, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road,, Mumbai, Maharashtra 400013 Corp office: Level-19, Sunshine Tower, Senapati Bapat Marg, Elphinstone Road,, Mumbai, Maharashtra 400013 Tel: 022- 61437333 Fax: - NIL E-mail: info@kkcllp.in Contact Person: CA Divesh Shah Website: www.kkc.in</p> <p>Name: M/s B. K. Khare & Co. Regd office: 706/708, Sharda Chambers, New Marine Lines, Mumbai – 400020 Corp office: 706/708, Sharda Chambers, New Marine Lines, Mumbai – 400020 Tel: 022 – 6243 9500 Fax: - NIL E-mail: shirishrahalkar@bkkhareco.com Contact Person: Shirish Rahalkar Website: www.bkkhareco.com</p>
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II Changes in Section E of the Shelf Placement Memorandum:

A brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches / units and line of business:-

(i) Overview of the Business

The Issuer 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 the Reserve Bank of India Act, 1934 and is engaged in the business of financing. The Company has achieved a total income of Rs. 5,585 Crore and a net profit of Rs. 280 Crore in the HY Sept 2021 with total net worth of Rs. 7,865 Crore as at September 30, 2021. The Company is promoted by HDFC Bank Ltd. which has 95.11% shareholding in the Company as on September 30, 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 September 30, 2021 was 19.80%, as against minimum regulatory requirement of 15% for non-deposit accepting NBFCs. The asset quality of the Company remains healthy with Gross NPAs at 6.06% and Net NPAs at 2.72% as on September 30, 2021. During HY Sept 2021, the Company has disbursed loans amounting to Rs.11,921 Crore.

The Company has 1336 branches in 956 cities in India as on September 30, 2021.

The Company caters to the needs of India's increasingly affluent middle market. The requirements of medium, small and micro business enterprises which may be too small to be serviced by corporate lending institutions are also addressed by the Company through suitable products and services.

The Company does not have any subsidiaries as on date.

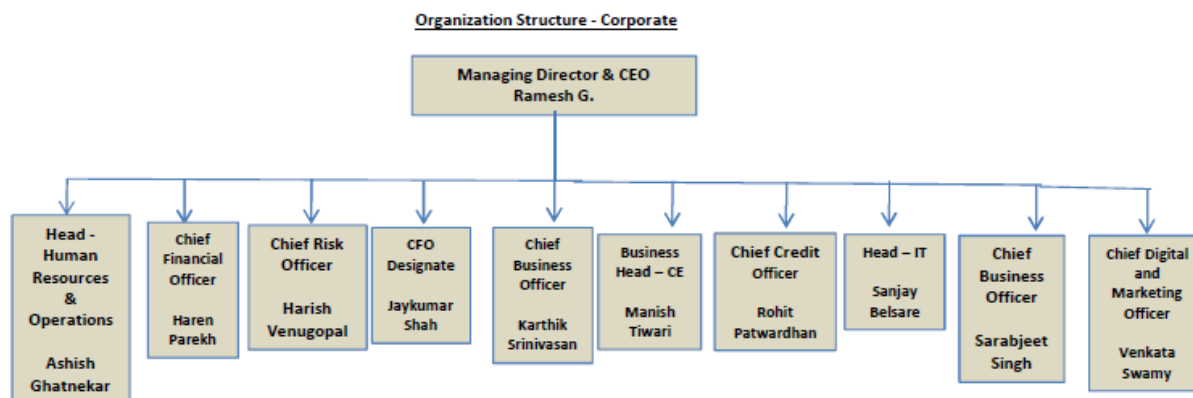
(ii) Brief Particulars of the management of the Company and the corporate structure

The Company is professionally managed by its Board of Directors, headed by Mr. G. Ramesh, Managing Director and Chief Executive Officer (MD & CEO). Following are the Key Senior Management:

- Ashish Ghatnekar, Head - Human Resources & Operations
- Haren Parekh, Chief Financial Officer
- Harish Venugopal, Chief Risk Officer
- Jaykumar Shah, CFO Designate
- Karthik Srinivasan, Chief Business Officer
- Manish Tiwari, Business Head - CE
- Rohit Patwardhan, Chief Credit Officer
- Sanjay Belsare, Head - IT
- Sarabjeet Singh, Chief Business Officer
- Venkata Swamy, Chief Digital and Marketing Officer

The Company has a qualified pool of employees:

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



III Changes in Section E of the Shelf Placement Memorandum:

- Details of Share Capital as at last quarter end i.e. September 30, 2021:-
Same as mentioned in Shelf Placement Memorandum
- Changes in its capital structure as at last quarter end, i.e. September 30, 2021 for the last three years:-
Same as mentioned in Shelf Placement Memorandum
- Equity Share Capital History of the Company for the last 3 (three) years
Same as mentioned in Shelf Placement Memorandum

Further, the following allotment in the nature of ESOP took place on November 26, 2021

Date of Allotment	No. Of Equity Shares	Face Value (Rs)	Form of Consideration (other than cash, etc)	Issue Price (Rs)	Nature of allotment	Cumulative			Remarks
						No. Of Equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs.)	
26/11/2021	8,03,460	10	Cash	Series 10C – 213/- Series 11A – 274/- Series 11B – 274/- Series 12A – 300/-	ESOS Exercise	78,99,88,676	789,98,86,760	29,83,86,45,939	For cash on account of ESOP allotment

- Details of any Acquisition or Amalgamation in the last 1 year:
Same as mentioned in Shelf Placement Memorandum
- Details of any Reorganization or Reconstruction in the last 1 year:
Same as mentioned in Shelf Placement Memorandum
- Details of the shareholding of the Company as at the latest quarter end, i.e., September 30, 2021 as per the format specified under the listing regulations:
Same as mentioned in Shelf Placement Memorandum
- List of top 10 holders of equity shares as of the latest quarter end i.e., as on September 30, 2021

Sr. No.	Name of Shareholder	Total Number of Equity Shares	No. of shares in demat form	Shareholding as % of total shares
1	HDFC Bank Limited	75,05,96,670	75,05,96,670	95.01
2	HDB Employee Welfare 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	3,67,199	3,67,999	0.05
10	Chandrasekharan Jagadisan	3,39,495	3,39,495	0.04

h) Details of the current directors of the Company as on date:

Name, Designation and DIN	Age (in years)	Address	Date of Appointment	Details of other directorship	Whether Wilful Defaulter
Mr. Arijit Basu, Non-Executive Director and Chairman, DIN- 06907779	61	Om Ratan Bldg, 7th Floor, 70, Sir Pochkhanwala Road, Mumbai -400018	01.06.2021	Nil	No
Mr. Venkatraman Srinivasan, Independent Director DIN – 00246012	62	73, Keshav Smruti, 8B, Veer Savarkar Marg, Shivaji Park, Mumbai- 400028	12.03.2015	1. National Payments Corporation of India 2. Fairchem Organics Limited 3. TATA Coffee Limited 4. Mahanagar Gas Limited	No
Ms. Smita Affinwalla, Independent Director DIN - 07106628	59	7A, A Block, 3 rd 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	No
Mr. Ramesh G., Managing Director and Chief Executive Officer DIN - 05291597	52	C - 101, Ashok Gardens, Tokersey Jivraj Road, Sewree, Mumbai 400015	01.07.2012	Nil	No
Dr. Amla Samanta, Independent Director DIN - 00758883	66	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.	No
Mr. A K Viswanathan,	64	1502 Godrej Serenity, Deonar, Mumbai –	24.07.2019	Nil	No

Independent Director		400088			
DIN - 08518003					

- i) Details of change in directors since last three years:
Same as mentioned in Shelf Placement Memorandum
- j) Following details regarding the auditors of the Company:

Name	Address	Auditor since
M/s Khimji Kunverji & Co. LLP	Level-19, Sunshine Tower,, Senapati Bapat Marg,, Elphinstone Road,, Mumbai, Maharashtra 400013	September 18, 2021
M/s B. K. Khare & Co.	706/708, Sharda Chambers, New Marine Lines, Mumbai – 400020	September 18, 2021

- k) Details of change in auditor since last three years:

Name	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
M/s. B S R & CO. LLP	Lodha Excelus, 1st Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011	May 30, 2013	Ceased to be a Statutory Auditor due to ineligibility caused in terms of the RBI guidelines w.e.f. July 16, 2021	-
M/s Khimji Kunverji & Co. LLP	Level-19, Sunshine Tower,, Senapati Bapat Marg,, Elphinstone Road,, Mumbai, Maharashtra 400013	September 18, 2021	Not applicable	Not applicable
M/s B. K. Khare & Co.	706/708, Sharda Chambers, New Marine Lines, Mumbai – 400020	September 18, 2021	Not applicable	Not applicable

- l) Details of the following liabilities of the Issuer, as at the end of the last quarter i.e. September 30, 2021 or if available, a later date:
- i. Details of Outstanding Secured Loan Facilities: -

Lender's name	Type of Facility	Amount Sanctioned (Rs. in Crore)	Principal Amount Outstanding (Rs. in Crore)	Security	Repayment Schedule / Date
Axis Bank	Term Loan	250.00	250.00	Book Debt	Bullet repayment
Bank Of Baroda	Term Loan	1000.00	500.00	Book Debt	Bullet repayment
BNP Paribas	Term Loan	200.00	200.00	Book Debt	Bullet repayment
Canara Bank	Term Loan	2500.00	920.83	Book Debt	Quarterly repayment
Central Bank Of India	Term Loan	750.00	458.33	Book Debt	Quarterly repayment
Deutsche Bank	Term Loan	675.00	589.58	Book Debt	Bullet payment

Federal Bank	Term Loan	900.00	199.94	Book Debt	Half yearly repayment
HDFC Bank	Term Loan	10600.00	5746.32	Book Debt	Quarterly repayment
HSBC	Term Loan	2000.00	1330.00	Book Debt	Quarterly repayment
IndusInd Bank	Term Loan	1240.00	877.50	Book Debt	Quarterly repayment
ICICI Bank	Term Loan	1250.00	400.00	Book Debt	Quarterly repayment
Jammu & Kashmir Bank	Term Loan	250.00	165.00	Book Debt	Quarterly repayment
J P Morgan Bank	Term Loan	500.00	500.00	Book Debt	Bullet payment
Karnataka Bank	Term Loan	450.00	299.77	Book Debt	Yearly repayment
Kotak Mahindra Bank	Term Loan	800.00	475.00	Book Debt	Yearly repayment
Karur Vysya Bank	Term Loan	125.00	52.08	Book Debt	Quarterly repayment
Union Bank Of India	Term Loan	1000.00	633.33	Book Debt	Quarterly repayment
Punjab National Bank (e-United Bank Of India)	Term Loan	500.00	291.67	Book Debt	Quarterly repayment
Punjab National Bank	Term Loan	500.00	100.00	Book Debt	Quarterly repayment
State Bank of India	Term Loan	2,000.00	0.00	Book Debt	-
International Finance Corporation	External Commercial Borrowing	325.00	325.00	Book Debt	Bullet payment
Bank of Baroda- IFSC Banking Unit; 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; UCO Bank, Singapore	External Commercial Borrowing	3,873.59	3,873.59	Book Debt	Bullet payment

Note -

- 1) All installments are residual installment payable for outstanding loan amount.
- 2) All the above-mentioned loans are secured against "receivables from financing activities".

ii. Details of Outstanding Unsecured Loan Facilities: -
None

iii. Details of Outstanding Non-Convertible Securities:

Details of NCDs (including Market Linked Debentures)

Series of NCS	Tenor / Period of Maturity	Coupon (%)	Amount in crore	Date of Allotment	Redemption Date/ Schedule
Series 2018 A/0(ZC)/124	1108	Zero Coupon	701.00	17-10-2018	29-10-2021
Series 2018 A/1(FX)/125	1246	9.3533	449.5.00	26-10-2018	25-03-2022
Series 2018 A/0(ZC)/128	1219	Zero Coupon	500.00	03-12-2018	05-04-2022
Series 2018 A/0(ZC)/128_INE756I07CI8 (Further Issuance I)	1201	Zero Coupon	361.20	21-12-2018	05-04-2022
Series 2019 / 131 - Series 2018	1168	Zero Coupon	57.50	23-01-2019	05-04-2022

A/0(ZC)/128_INE756I07CI8 (Further Issuance II)					
Series 2019 / 131 - Series 2019 A/1(FX)/131	1197	8.8317	386.90	23-01-2019	04-05-2022
Series 2019 / 132 - Series 2018 A/0(ZC)/128_INE756I07CI8 (Further Issuance III)	1139	Zero Coupon	111.00	21-02-2019	05-04-2022
Series 2019 / 133 - Series 2018 A/0(ZC)/128_INE756I07CI8 (Further Issuance IV)	118	Zero Coupon	290.00	14-03-2019	05-04-2022
Series 2019 / 133 - Series 2019 A/1(FX)/133	1096	8.8000	290.00	14-03-2019	14-03-2022
Series 2019 / 134 - Series 2019 A/1(FX)/134	1141	8.5450	225.00	03-05-2019	17-06-2022
Series 2019 / 137 - Series 2019 A/1(FX)/134_INE756I07CP3 (Further Issuance I)	1092	8.5450	305.00	21-06-2019	17-06-2022
Series 2019 / 138 - Series 2019 A/1(FX)/138	1127	8.0000	117.00	25-07-2019	25-08-2022
Series 2019 / 139 - Series 2019 A/1(FX)/PP/139	3653	8.0500	1500.00	08-08-2019	08-08-2029
Series 2019 / 140 - Series 2019 A/1(FX)/134_INE756I07CP3 (Further Issuance II)	1030	8.5450	275.00	22-08-2019	17-06-2022
Series 2019 / 141 - Series 2019 A/1(FX)/141	1827	8.0500	280.00	28-08-2019	28-08-2024
Series 2019 / 142 - Series 2019 A/1(FX)/142	797	7.4900	700.00	13-09-2019	18-11-2021
Series 2019 / 143 - Series 2019 A/1(FX)/138_INE756I07CS7 (Further Issuance I)	1066	8.0000	200.00	24-09-2019	25-08-2022
Series 2019 / 144 - Series 2019 A/1(FX)/138_INE756I07CS7 (Further Issuance II)	1036	8.0000	220.00	24-10-2019	25-08-2022
Series 2019 / 145 - Series 2019 A/1(FX)/145	1096	7.5000	255.00	19-11-2019	19-11-2022
Series 2019 / 146 - Series 2019 A/1(FX)/142_INE756I07CV1 (Further Issuance I)	724	7.4900	300.00	25-11-2019	18-11-2021
Series 2019 / 146 - Series 2019 A/1(FX)/146	1124	7.5000	260.00	25-11-2019	23-12-2022
Series 2019 / 147 - Series 2019 A/1(FX)/145_INE756I07CW9 (Further Issuance I)	1059	7.5000	240.00	26-12-2019	19-11-2022
Series 2019 / 147 - Series 2019 A/1(FX)/146_INE756I07CX7 (Further Issuance I)	1093	7.5000	260.00	26-12-2019	23-12-2022
Series 2020 / 148 - Series 2020 A/1(FX)/148	1127	7.5700	257.00	16-01-2020	16-02-2023
Series 2020 / 149 - Series 2020 A/1(FX)/149	1086	7.5549	800.00	30-01-2020	20-01-2023
Series 2020 / 150 - Series 2020 A/1(FX)/150	1155	7.0900	380.00	17-02-2020	17-04-2023
Series 2020 / 151 - Series 2020 A/1(FX)/150_INE756I07DA3 (Further Issuance I)	1140	7.0900	50.00	03-03-2020	17-04-2023
Series 2020 / 151 - Series 2020 A/4(FO)/151	961	Linked to 3 Month FBIL-TBILL rate plus spread of 191 bps	510.00	03-03-2020	20-10-2022
Series 2020 / 152 - Series 2020 A/1(FX)/152	1157	7.3000	1200.00	28-04-2020	29-06-2023
Series 2020 / 153 - Series 2020 A/1(FX)/153_Option 1	1157	7.2871	1300.00	26-05-2020	27-07-2023

Series 2020 / 153 - Series 2020 A/1(FX)/153_Option 2	1185	7.2834	700.00	26-05-2020	24-08-2023
Series 2020 / 154 - Series 2020 A/1(FX)/154	1224	6.6835	875.00	19-06-2020	26-10-2023
Series 2020 / 155 - Series 2020 A/1(FX)/155	1021	5.7400	500.00	07-08-2020	25-05-2023
Series 2020 / 156 - Series 2020 A/1(FX)/150_INE756I07DA3 (Further Issuance II)	958	7.0900	350.00	01-09-2020	17-04-2023
Series 2020 / 157 - Series 2020 A/1(FX)/157	683	5.1121	300.00	11-09-2020	26-07-2022
Series 2020 / 158 - Series 2020 A/1(FX)/157_INE756I07DJ4 (Further Issuance I)	650	5.1121	425.00	14-10-2020	26-07-2022
Series 2020 / 159 - Series 2020 A/1(FX)/157_INE756I07DJ4 (Further Issuance II)	637	5.1121	325.00	27-10-2020	26-07-2022
Series 2020 / 159 - Series 2020 A/0(ZC)/159	652	Zero Coupon	330.00	27-10-2020	10-08-2022
Series 2020 / 160 - Series 2020 A/1(FX)/160	1078	5.0800	950.00	15-12-2020	28-11-2023
Series 2021 / 161 - Series 2020 A/1(FX)/148_INE756I07CY5(Further Issuance I)	720	7.5700	1000.00	26-02-2021	16-02-2023
Series 2021 / 162 - Series 2021 A/1(FX)/162	1065	6.0451	1200.00	25-03-2021	23-02-2024
Series 2021 / 163- Series 2021 A/0(ZC)/163	1092	Zero Coupon	425.00	30-04-2021	26-04-2024
Series 2021 / 164- Series 2021 A/1(FX)/164	1096	5.7500	1200.00	28-05-2021	28-05-2024
Series 2021 / 165- Series 2021 A/1(FO)/165	1095	Linked to 3 Months TBILL (FBIL) rate plus spread of 135 bps	693.00	22-06-2021	21-06-2024
Series 2021 / 166 - Series 2021 A/0(ZC)/166	784	5.1800	323.00	15-07-2021	07-09-2023
Series 2021 / 167- Series 2021 A/1(FO)/167	1095	Linked to 3 Months TBILL (FBIL) rate plus spread of 127 bps	750.00	03-08-2021	02-08-2024
Series 2021 / 168- Series 2020 A/1(FX)/154_INE756I07DG0 (Further Issuance I)	792	6.6835	250.00	25-08-2021	26-10-2023
Series 2021 / 168- Series 2021 A/1(FX)/168	1157	5.7000	800.00	25-08-2021	25-10-2024
Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 1	1096	5.4900	150.00	13-09-2021	13-09-2024
Series 2021 / 169 -Series 2021 A/0(ZC)/169_Option 2	1747	Zero Coupon (xirr-6.35)	130.00	13-09-2021	26-06-2026
Series 2021 / 169 -Series 2021 A/1(FX)/169_Option 3	1824	6.3500	500.00	13-09-2021	11-09-2026
Series 2021 / 170- Series 2021 A/1(FX)/169_Option 3_INE756I07DX5 (Further Issuance I)	1815	6.3500	560.00	22-09-2021	11-09-2026
Series 2021 / 171- Series 2021 A/0(ZC)/171	1035	Zero Coupon (xirr-5.49%)	250.00	29-09-2021	30-07-2024

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.)	236.10	02-06-2020	09-05-2023
Series 2021 / 5- Series 2021 A/0(ML)/5	761	If Final Fixing Level ≤ 25% of Initial Fixing Level: 0.000% If Final Fixing Level > 25% of Initial Fixing Level: 5.1358% p.a. (XIRR 5.00% p.a.)	100.00	04-08-2021	04-09-2023

Note – All the above-mentioned NCDs are:

- secured against "Immovable property and/ or receivables from financing activities"
- 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

Details of Subordinated Bonds:

Same as mentioned in Shelf Placement Memorandum

Details of Perpetual Debt Instruments:

Same as mentioned in Shelf Placement Memorandum

- iv. List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sr. No.	Name of holders of Non-convertible Securities	Amount (Rs. In crore)	% of total NCS outstanding
1	HDFC Bank Ltd	4655.00	15.46
2	Kotak Mahindra Mutual Fund	1778.00	5.91
3	Aditya Birla Sun Life Mutual Fund	1765.10	5.86
4	HDFC Life Insurance Company Limited	1450.00	4.82
5	WIPRO Limited	1333.00	4.43
6	ICICI Prudential Mutual Fund	1100.20	3.65
7	State Bank of India	994.00	3.30
8	Axis Bank Limited	950.00	3.16
9	Union Bank of India	785.00	2.61
10	National Pension System (NPS) Trust	685.00	2.28

- v. Details of outstanding Commercial Paper as at the end of the last quarter in the following format:-

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount Outstanding (Rs. In crore)
198	INE756I14CW5	18-11-2021	300

- vi. Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):-
 Same as mentioned in Shelf Placement Memorandum

- vii. 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 3 years including the current financial year.
 Same as mentioned in Shelf Placement Memorandum
- viii. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, 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 non-convertible securities.
 Same as mentioned in Shelf Placement Memorandum
- ix. Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of the Shelf Placement Memorandum against the promoter of the Company.
 Same as mentioned in Shelf Placement Memorandum
- x. Details of default and non-payment of statutory dues
 Same as mentioned in Shelf Placement Memorandum
- xi. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.
 Same as mentioned in Shelf Placement Memorandum
- xii. 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.
 Same as mentioned in Shelf Placement Memorandum

IV Changes in Section E of the Shelf Placement Memorandum:

Disclosure of latest ALM statements to stock exchange:

The same is available on the website of the Company at the below link

<https://www.hdbfs.com/sites/default/files/debt/ALM-Statement-for-October-2021.pdf>

V Changes in Section E of the Shelf Placement Memorandum:

Documents material to the Issue:

Resolution passed by the shareholders appointing Statutory Auditors of the Company. *

*In compliance with RBI's circular on statutory auditor dated April 27, 2021 bearing reference no. Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22, the Company's erstwhile statutory auditor has resigned with effect from July 16, 2021. The appointment of the new statutory auditor has been approved by the Board of Directors vide resolution dated July 16, 2021 and by the Shareholder vide special resolution passed through Postal Ballot dated September 18, 2021.



VI Changes in Annexure VII of 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	Type of security	Nature of Issue	Number of Investors	No of Securities	Issue Price (In Rs.)
	Non Convertible Debenture	Private Placement	27	53,680	10,00,000.00
	Non Convertible Debenture	Private Placement	1	3230	8,97,199.00

	Non Convertible Debenture	Private Placement	3	2500	10,31,120.79																																																																												
	Non Convertible Debenture	Private Placement	1	1300	7,44,777.00																																																																												
	Non Convertible Debenture	Private Placement	6	5600	9,99,812.25																																																																												
	Non Convertible Debenture	Private Placement	3	7750	9,98,481.00																																																																												
	Perpetual Debt Instruments in the nature of Non Convertible Debenture	Private Placement	6	150	1,00,00,000.00																																																																												
The pre-issue and post issue shareholding pattern of the company (as on September 30, 2021)	<table><tr><th rowspan="2">Sr. No</th><th rowspan="2">Category</th><th colspan="2">Pre-issue</th><th colspan="2">Post-issue</th></tr><tr><th>No. of shares held</th><th>(%) of shareholding</th><th>No. of shares held</th><th>(%) of shareholding</th></tr><tr><td>A</td><td>Promoters' holding</td><td></td><td></td><td colspan="2" rowspan="16">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.</td></tr><tr><td>1</td><td>Indian</td><td></td><td></td></tr><tr><td></td><td>Individual</td><td>-</td><td>-</td></tr><tr><td></td><td>Bodies Corporate</td><td>75,05,96,670</td><td>95.11</td></tr><tr><td></td><td>Sub-total</td><td>75,05,96,670</td><td>95.11</td></tr><tr><td>2</td><td>Foreign promoters</td><td>-</td><td>-</td></tr><tr><td></td><td>Sub-total (A)</td><td>75,05,96,670</td><td>95.11</td></tr><tr><td>B</td><td>Non-promoters' holding</td><td></td><td></td></tr><tr><td>1</td><td>Institutional Investors</td><td>11,00,000</td><td>0.14</td></tr><tr><td>2</td><td>Non-Institutional Investors</td><td>-</td><td>-</td></tr><tr><td></td><td>Private Corporate Bodies</td><td>7,46,759</td><td>0.09</td></tr><tr><td></td><td>Directors and relatives</td><td>7,20,500</td><td>0.09</td></tr><tr><td></td><td>Indian public</td><td>3,47,46,405</td><td>4.40</td></tr><tr><td></td><td>Others (including Non-resident Indians)</td><td>12,74,882</td><td>0.16</td></tr><tr><td></td><td>Sub-total (B)</td><td>3,85,88,546</td><td>4.89</td></tr><tr><td></td><td>Grand Total</td><td>78,91,85,216</td><td>100.00</td></tr></table>					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	7,46,759	0.09		Directors and relatives	7,20,500	0.09		Indian public	3,47,46,405	4.40		Others (including Non-resident Indians)	12,74,882	0.16		Sub-total (B)	3,85,88,546	4.89		Grand Total	78,91,85,216	100.00
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SUMMARY TERM SHEET

Series 2021 / 174 -Series 2021 A/1(FX)/174

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	HDB/5.42%/Annual/2024_Series 2021 A/1(FX)/174
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>Name: HDFC Bank Limited</p>  <p>We understand your world</p> <p>Regd. Address: HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.</p> <p>Corporate Address: Bank House, Shiv Sagar Estate, Dr Annie Besant Road, Worli, Mumbai-400018</p> <p>Name of contact person: Mr. Niranjana Kawatkar</p> <p>E-mail: niranjana.kawatkar@hdfcbank.com</p> <p>Fax: 022-30788584</p> <p>Tel No: 022-33928150</p> <p>Website: www.hdfcbank.com</p> <p>Name: Avendus Capital Pvt. Ltd.</p>  <p>Regd Address: The IL&FS Financial Centre, B Quadrant 5th Floor, Bandra Kurla Complex Bandra East, Mumbai – 400051</p> <p>Name of Contact person: Shobha Seenu</p> <p>E-mail: bonddesk@avendus.com</p> <p>Fax: 022-66481440</p> <p>Tel No: 022-66481487</p> <p>Website: www.avendus.com</p>
Listing	<p>The Series 2021/174 Debentures are 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</p>

	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.				
Rating of the Instrument	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.				
Issue Size	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 2021/174 Debentures is for upto Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) with Green Shoe Option of upto Rs. 1212,00,00,000/- (Rupees One Thousand Two Hundred Twelve Crore Only) to retain total subscription upto Rs. 1312,00,00,000/- (Rupees One Thousand Three Hundred Twelve Crore Only) in the manner as specified in the Section 'Base Issue and Green Shoe Option' below.				
Option to retain oversubscription (Amount)	Yes, Green Shoe Option of upto Rs. 1212,00,00,000 (Rupees One Thousand Two Hundred Twelve Crore Only)				
Past Issue history	NA				
Base Issue and Green Shoe Option	Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) with Green Shoe Option of upto Rs.1212,00,00,000/- (Rupees One Thousand Two Hundred Twelve Crore Only) to retain total subscription upto Rs. 1312,00,00,000/- (Rupees One Thousand Three Hundred Twelve Crore Only)				
Minimum Subscription	10 Debentures of Face value of Rs.10,00,000 each				
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" data-bbox="483 1487 1236 1563"> <thead> <tr> <th>Purpose</th><th>Percentage of fund raised</th></tr> </thead> <tbody> <tr> <td>For general corporate purposes</td><td>100</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 general corporate purposes	100
Purpose	Percentage of fund raised				
For general corporate purposes	100				
In case the Issuer is an 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	5.42% p.a.
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annually
Coupon Payment Dates	Monday, January 17, 2022, Tuesday, January 17, 2023, And on maturity i.e. Wednesday, January 17, 2024
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	N.A.
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	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 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. Where the Company fails to execute the trust deed within the period specified in the Companies Act, the Company shall also pay interest of 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.
Tenor	771 days from the deemed date of allotment i.e. Tuesday, December 07, 2021
Redemption Date	Wednesday, January 17, 2024
Redemption Amount	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Redemption Premium/ Discount	NIL
Issue Price	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Pay-in Amount	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Premium /Discount at which security is issued and the effective yield as a result of such Premium /discount.	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	11.00 am to 12.00 noon
Issue/ Bid Opening Date	Monday, December 06, 2021
Issue/ Bid Closing Date	Monday, December 06, 2021
Date of earliest closing of the issue, if any.	N.A.
Pay-in Date	Tuesday, December 07, 2021
Deemed Date of Allotment	Tuesday, December 07, 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	<p>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 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	As set out in Note 1 to the 'Summary Term Sheet' under the Shelf Placement Memorandum.

(including side letters, accelerated payment clause, etc.)	
<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/Shelf Placement Memorandum.</p>	<p><u>Description of Security</u></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><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 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 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><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</p>

	<p>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	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 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	(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; Such other Conditions Subsequent as set out in the Transaction Documents.
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	Details and purpose of the recovery expense fund: 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. 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.
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
Manner of allotment	Uniform Price (Fixed Coupon 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:

- 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.
- 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.
- 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/5.42%/Annual/2024_Series 2021 A/1(FX)/174
Face Value (per security)	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Deemed Date of Allotment	Tuesday, December 07, 2021
Tenor	771 days from the deemed date of allotment i.e. Tuesday, December 07, 2021
Redemption Date	Wednesday, January 17, 2024
Coupon Rate	5.42% p.a.
Frequency of the interest payment with specified dates	Payable Annually Monday, January 17, 2022, Tuesday, January 17, 2023, And on maturity i.e. Wednesday, January 17, 2024
Day Count Convention	Actual/Actual

Series 2021 / 174 - Series 2021 A/1(FX)/174

Cash Flows	Date	Day	No. Of Days in Coupon Period	Amount in Rupees per debenture of Rs.10 lakh
1 st Coupon	January 17, 2022	Monday	41	6,088.22
2 nd Coupon	January 17, 2023	Tuesday	365	54,200.00
3 rd Coupon	January 17, 2024	Wednesday	365	54,200.00
Principal Repayment	January 17, 2024	Wednesday	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

- 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. 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: December 06, 2021

Encl: Due Diligence Certificate issued by the Debenture Trustee

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154

33010-A/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 2087 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: November 23, 2021

For IDBI Trusteeship Services Limited

Aditya Kapil
Sr. Vice President

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154

Ref.: 33010(B)/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 2087 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: November 23, 2021

For IDBI Trusteeship Services Limited

Aditya Kapil
Sr. Vice President