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 2022 / 182 under Shelf Placement Memorandum dated August 12, 2022

Date: August 18, 2022

Type of Placement Memorandum: Private Placement

Private Placement of 250 Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("Series 2022 / 182 Debentures") of the face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each for cash aggregating upto Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) with Green Shoe Option of Rs. 975,00,00,000/- (Rupees Nine Hundred Seventy Five Crore Only) to retain total subscription upto Rs. 1000,00,00,000/- (Rupees One Thousand Crore only) issued under the Shelf Placement Memorandum dated August 12, 2022 as amended / supplemented from time to time.

This Tranche Placement Memorandum is issued pursuant the terms of the Shelf Placement Memorandum dated August 12, 2022. 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 2022 / 182 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 the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue:

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: August 05, 2022 by CARE Ratings Limited and August 04, 2022 by CRISIL Ratings Limited
Date of Press Release of Ratings: September 23, 2021 & October 13, 2021 by CARE Ratings Limited and July 07, 2022 by CRISIL Ratings
Press Release and Rating Rationale: Please refer Annexure II
Declaration: The rating mentioned above are valid as on the date of issuance and listing.

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	5.57%
After the Issue	5.85%

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.]

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

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

For Financial Sector Entities:
Standalone Basis (Rs. in Crore)

There is no change in the Key Operational and Financial Parameters provided in the Shelf Placement Memorandum dated August 12, 2022.

Key Operational and Financial Parameters on a Consolidated Basis:

As on 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:

III Changes in Section E of the Shelf Placement Memorandum:

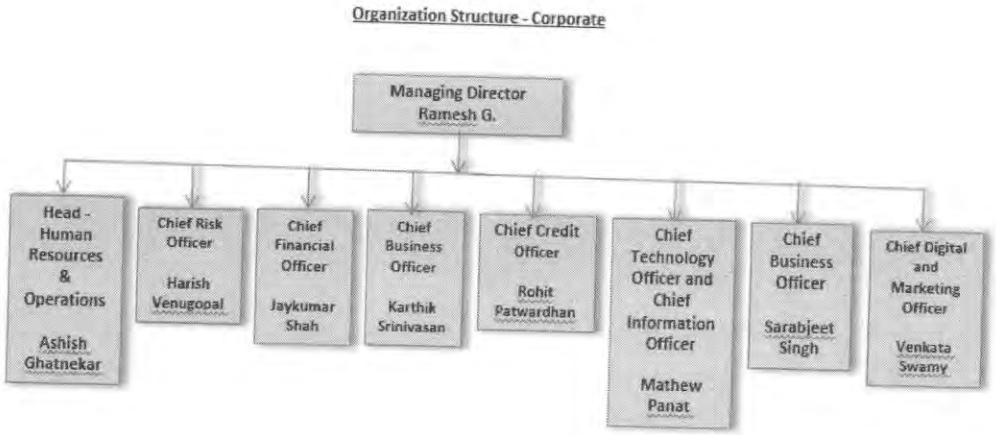
(ii) Brief Particulars of the management of the Company and the corporate structure

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
- Harish Venugopal, Chief Risk Officer
- Jaykumar Shah, Chief Financial Officer
- Karthik Srinivasan, Chief Business Officer
- Rohit Patwardhan, Chief Credit Officer
- Mathew Panat, Chief Technology Officer and Chief Information Officer
- 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:



IV Changes in Section G of the Shelf Placement Memorandum:

a) Details of Share Capital as at Quarter ended, i.e. June 30, 2022: -

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

b) Changes in its capital structure as at Quarter ended, i.e. June 30, 2022 for the last three years: -

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

c) Equity Share Capital History of the Company for the last 3 (three) years

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

Further, the following allotment in the nature of ESOP took place on August 2, 2022

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.)	
Cash	Series 11B – 274/- Series 11C – 274/- Series 12B – 300/- Series 13A – 348/- Series 13B – 348/- Series 13C – 348/-	ESOS Exercise	79,05,16,691	790,51,66,910	29996619229	For cash on account of ESOP allotment

d) Details of any Acquisition or Amalgamation in the last 1 year:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

e) Details of any Reorganization or Reconstruction in the last 1 year:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

f) Details of the shareholding of the Company as at Quarter ended, i.e. June 30, 2022 as per the format specified under the listing regulations:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

g) List of top 10 holders of equity shares as at Quarter ended, i.e. June 30, 2022

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

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

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

i) Details of change in directors since last three years:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

j) Following details regarding the auditors of the Company:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

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

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

l) Details of the following liabilities of the Issuer, as at Quarter ended, i.e. June 30, 2022 or if available, a later date:

i. Details of Outstanding Secured Loan Facilities –

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

ii. Details of Outstanding Unsecured Loan Facilities: -

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

iii. Details of Outstanding Non-Convertible Securities:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

Details of Subordinated Bonds:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

Details of Perpetual Debt Instruments:

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

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

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

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

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

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 dated August 12, 2022

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 dated August 12, 2022

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 dated August 12, 2022

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 dated August 12, 2022

x. Details of default and non-payment of statutory dues

Same as mentioned in Shelf Placement Memorandum dated August 12, 2022

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 dated August 12, 2022

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 dated August 12, 2022

V Changes in Section I of the Shelf Placement Memorandum:

Disclosure of latest ALM statements to stock exchange:

https://www.hdbfs.com/sites/default/files/debt/Letter-for-ALM-statement-NSE-JULY-2022.pdf

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	4	5230	10,48,869.30
Non Convertible Debenture	Private Placement	14	7500	9,73,567.00
Non Convertible Debenture	Private Placement	1	900	9,90,249.32
Non Convertible Debenture	Private Placement	2	1300	9,63,241.00
Non Convertible Debenture	Private Placement	11	8050	10,00,000.00

The pre-issue and post issue shareholding pattern of the company (as on June 30, 2022)

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	94.96		
	Sub-total	75,05,96,670	94.96		
2	Foreign promoters	-	-		
	Sub-total (A)	**75,05,96,670**	**94.96**		
B	Non-promoters' holding				
1	Institutional Investors	11,00,000	0.14		
2	Non-Institutional Investors	-	-		
	Private Corporate Bodies	8,04,975	0.10		
	Directors and relatives	7,50,500	0.09		
	Indian public	3,58,39,591	4.53		
	Others (including Non-resident Indians)	13,48,295	0.17		
	Sub-total (B)	**3,98,43,361**	**5.04**		
	GRAND TOTAL	**79,04,40,031**	**100.00**		

SECTION N

SUMMARY TERM SHEET

Series 2022 / 182 - Series 2022 A/1(FX)/182

Security Name (Name of the non-convertible securities which includes (Coupon / dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	**HDB/7.50%/Annual/2025_ Series 2022 A/1(FX)/182**
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 12, 2022
Details of Arrangers (if any)	**1. Name: ICICI Bank Ltd** ICICI Bank Regd. Address: ICICI Bank Limited, 'LANDMARK', Race Course Circle, Vadodara-390007 Corporate Address: ICICI Bank Limited, ICICI Bank Towers, Bandra Kurla Complex, Mumbai 400 051, India Name of contact person: Sanket Jain E-mail: gmgfixedincome@icicibank.com; merchantbanking@icicibank.com; Tel No: Board: 022 4008 8980 Website: www.icicibank.com
Listing	The Series 2022/182 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 Friday, August 12, 2022. In accordance with the SEBI NCS 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.
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. 10,000 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 Issue amount of Rs. 25,00,00,00,000/- (Rupees Two Thousand Five Hundred Crore Only) under the Shelf Placement Memorandum dated 12.08.2022 forms a part of the overall limit set out under the Debenture Trust Deed being Rs. 1,00,00,00,00,000/- (Rupees Ten Thousand Crore Only) ("Overall Limit") of which only Rs.7702,00,00,000/- (Rupees Seven Thousand Seven Hundred and Two Crore only) was available for issuance on the date of the aforesaid Shelf Placement Memorandum. Out of which this Issue of 'Series 2022/182' is for Rs. 25,00,00,000/- (Rupees Twenty-Five Crore Only) with Green Shoe Option of Rs. 975,00,00,000/- (Rupees Nine Hundred Seventy Five Crore

<table>
<tr><td></td><td>Only) to retain total subscription upto Rs.1000,00,00,000/- (Rupees One Thousand Crore only) in the manner as specified in the Section 'Base Issue and Green Shoe Option' below.</td></tr>
<tr><td>Option to retain oversubscription (Amount)</td><td>Yes, Green Shoe Option of upto Rs. 975,00,00,000/- (Rupees Nine Hundred Seventy Five Crore Only)</td></tr>
<tr><td>Base Issue and Green Shoe Option</td><td>Rs.25,00,00,000/- (Rupees Twenty-Five Crore Only) with Green Shoe Option of upto Rs. 975,00,00,000/- (Rupees Nine Hundred Seventy Five Crore Only) to retain total subscription upto Rs.1000,00,00,000/- (Rupees One Thousand Crore only)</td></tr>
<tr><td>Minimum Subscription</td><td>Rs. 1,00,00,000/- (Rupees One Crore Only) i.e. 10 Debentures</td></tr>
<tr><td>Objects of the Issue / Purpose for which there is requirement of funds</td><td>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/ repayment of existing borrowings, and for general corporate purposes of the Company.

The funds raised through the Issue will be utilized as per the section "Utilisation of the Proceeds" stipulated below.</td></tr>
<tr><td>Details of the utilization of the Proceeds.
(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".)</td><td>The Company shall endeavour to utilise the funds raised through the Issue as mentioned below:

<table><tr><th>Purpose</th><th>Percentage of fund raised (%)</th></tr><tr><td>For disbursements of loans to borrowers</td><td>Upto 100</td></tr><tr><td>For refinancing existing borrowings/ repayment of existing borrowings</td><td>Upto 75</td></tr><tr><td>For general corporate purposes</td><td>Upto 50</td></tr></table>
Further, pending utilisation, the issue proceeds may be utilized / invested as may be approved from time to time in the ordinary course of business, in fixed deposits with banks, mutual fund units, etc.</td></tr>
<tr><td>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:</td><td>The proceeds of the Issue will not be utilised for providing loans to any group company.</td></tr>
<tr><td>Consolidation of ISINs</td><td>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.</td></tr>
<tr><td>Interest/Coupon Rate</td><td>7.5000% p.a. (XIRR: 7.5018%)</td></tr>
<tr><td>Step Up/Step Down Coupon Rate</td><td>N.A.</td></tr>
<tr><td>Coupon Payment Frequency</td><td>Payable Annually</td></tr>
<tr><td>Coupon Payment Dates</td><td>Payable Annually,
Friday, 23 September, 2022
Saturday, 23 September, 2023
Monday, 23 September, 2024
& on maturity i.e. Tuesday, 23 September, 2025</td></tr>
<tr><td>Coupon Type</td><td>Fixed</td></tr>
<tr><td>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).</td><td>N.A.</td></tr>
<tr><td>Day Count Basis</td><td>Actual/ Actual</td></tr>
<tr><td>Interest on Application Money</td><td>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</td></tr>
</table>

	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	1131 days from the deemed date of allotment i.e. Friday, August 19, 2022
Redemption Date	Tuesday, 23 September, 2025
Redemption Amount	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Redemption Premium/ Discount	N.A.
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.	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Rollover Option	N.A.
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	10:00 am to 1:30 pm on BSE EBP
Issue/ Bid Opening Date	Thursday, August 18, 2022
Issue/ Bid Closing Date	Thursday, August 18, 2022
Date of earliest closing of the issue, if any.	NA
Pay-in Date	Friday, August 19, 2022
Deemed Date of Allotment	Friday, August 19, 2022
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	The pay-in of subscription monies for the 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. For amounts payable by the Issuer to any Debenture Holder pursuant to the terms of the Transaction Documents, Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder shall be the mode of settlement.
Depository(ies)	NSDL 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 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. 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.
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.	**Description of Security** 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. **Asset Cover and its maintenance** 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**"). 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 *ipso facto* created and perfected over the receivables identified and set out therein, without requiring any further act to be done by the Company. 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.

Any substitution, addition and/or replacement of the Hypothecated Assets shall be made under the terms of the Deed of Hypothecation.

The Company hereby undertakes that the Receivables on which charge has been created are free from any encumbrances.

Release of Excess Hypothecated Assets

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**").

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.

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.

Creation and Perfection

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.

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.

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.

Due Diligence

	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.
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	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; (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. Such other Conditions Precedent as set out in the Transaction Documents.
Conditions Subsequent to Disbursement	(i) Filing of the relevant documents required to be filed with the Registrar of Companies, *inter alia*, 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 allotees; 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:

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 Cash flows

Series 2022 / 182 - Series 2022 A/1(FX)/182

Name of the Issuer	HDB Financial Services Limited
Security Name	**HDB/7.50%/Annual/2025_ Series 2022 A/1(FX)/182**
Face Value (per security)	Rs.10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Deemed Date of Allotment	Friday, August 19, 2022
Tenor	1131 days from the deemed date of allotment i.e. Friday, August 19, 2022
Redemption Date	Tuesday, 23 September, 2025
Coupon Rate	7.5000% p.a. (XIRR: 7.5018%)
Frequency of the interest payment with specified dates	Payable Annually, Friday, 23 September, 2022 Saturday, 23 September, 2023 Monday, 23 September, 2024 & on maturity i.e. Tuesday, 23 September, 2025
Day Count Convention	Actual/Actual

Series 2022 / 182 - Series 2022 A/1(FX)/182

Cash Flows	Date	Day	No. Of Days in Coupon Period	Amount in Rupees per debenture of Rs.10 lakh
Principal Inflow	August 19, 2022	Friday	N.A.	(10,00,000.00)
1st coupon	September 23, 2022	Friday	35	7,191.78
2nd coupon	September 23, 2023	Saturday	365	75,000.00
3rd coupon	September 23, 2024	Monday	366	75,000.00
4th coupon	September 23, 2025	Tuesday	365	75,000.00
Principal Repayment	September 23, 2025	Tuesday	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 biding 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: Jaykumar Shah
Title: Chief Financial Officer
Date: August 18, 2022

Encl: Due Diligence Certificate issued by the Debenture Trustee

IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154

IDBI trustee

No. 47750 /ITSL/OPR/2022-23

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 of INR 2500 crores under Umbrella Consent of INR 10,000 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 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 its continued obligations towards the holders of debt securities.
d) 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.
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.
f) 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 and given an undertaking that debenture trust deed would be executed before filing of listing application.
g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum 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.

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

PLACE: Mumbai
DATE: August 12, 2022

p.o. Tembe

For IDBI Trusteeship Services Limited

Authorised Signatory