



HDB FINANCIAL SERVICES LIMITED

(CIN: U65993GJ2007PLC051028)

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

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

Corporate Office: - Ground Floor, Zenith House, Keshavrao Khadye Marg, Opp. Race Course, Mahalaxmi, Mumbai - 400034

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

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

SHELF DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF UPTO 5000 UNSECURED, SUBORDINATED, RATED, LISTED, PERPETUAL DEBT INSTRUMENTS IN THE NATURE OF NON-CONVERTIBLE DEBENTURES (THE "PDIS") AGGREGATING UPTO Rs. 500,00,00,000/- (RUPEES FIVE HUNDRED CRORES ONLY) TO BE ISSUED IN ONE OR MORE TRANCHES/SERIES (THE "ISSUE")

Note:

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

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

GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in relation to any Tranche/Series of this Issue. For taking an investment decision, the investors must rely on their own examination of the Company, this Shelf Disclosure Document and any Supplemental Disclosure Document issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Shelf Disclosure Document. Prospective investors are advised to carefully read the risks associated with the Issue of PDIs. **Specific attention of investors is invited to statement of Risk Factors contained under Section III of this Shelf Disclosure Document.** These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the PDIs or investor’s decision to purchase the PDIs.

CREDIT RATING

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

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

The PDIs to be issued under this Shelf Disclosure Document are proposed to be listed on the wholesale debt market segment of the BSE Ltd. ("BSE"). The BSE has given / shall provide its 'in-principle' approval to list the PDIs vide its letter dated July 31, 2018.

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

This Shelf Disclosure Document is dated July 31, 2018

REGISTRAR TO THE ISSUE

Link Intime India Pvt. Ltd.

C 101, 247 Park, L B S Marg,

Vikhroli West, Mumbai 400 083

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

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

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Jadhav

TRUSTEE

Axis Trustee Services Limited

Axis House, Bombay Dyeing Mills

Compound, Pandurang Budhkar Marg,

Worli, Mumbai – 400 025

Tel: 022 – 6226 0074/75/73

E-mail: debenturetrustee@axistrustee.com

Website: www.axistrustee.com

Contact Person: Chief Operating Officer

ISSUE SCHEDULE

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

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

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SECTION – I NOTICE TO INVESTORS AND DISCLAIMERS

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

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

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

transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this DD read together with the Supplemental Disclosure Document/Private Placement Offer Letter nor any other information supplied in connection with the PDIs is intended to provide the basis of any credit or other evaluation and any recipient of this DD read together with the Supplemental Disclosure Document/Private Placement Offer Letter should not consider such receipt as a recommendation to subscribe to any PDIs. Each Investor contemplating subscription to any PDIs should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the PDIs and should possess the appropriate resources to analyze such investment and the suitability of such investment to such Investor's particular circumstances.

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

Invitations, offers and sales of PDIs shall only be made pursuant to this DD and the Supplemental Disclosure Document(s). You may not and are not authorised to: (1) deliver this DD to any other person; or (2) reproduce this DD in any manner whatsoever. Any distribution or reproduction or copying of this DD in whole or in part or any public announcement or any announcement to third parties regarding the contents of this DD is unauthorised. Failure to comply with this instruction may result in a violation of Applicable Laws of India and/or other jurisdictions. This DD has been prepared by the Company for providing information in connection with the proposed Issue. The Company does not undertake to update this DD to reflect subsequent events after the date of this DD and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company.

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

understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

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

1.1 DISCLAIMER CLAUSE OF THE COMPANY

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

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

1.2 DISCLAIMER CLAUSE OF SEBI

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

1.3 DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

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

1.4 DISCLAIMER CLAUSE OF RBI

The Company has obtained a certificate of registration dated December 31, 2007 bearing registration no. N.01.00477 issued by the RBI to carry on the activities of an NBFC under section 45 IA of the RBI Act, 1934. However, a copy of this DD has not been filed with or submitted to the Reserve Bank of India ("RBI"). It is distinctly understood that this DD should not in any way be deemed or construed to be approved or vetted by RBI. RBI does not accept any responsibility or

guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements or representations made or opinions expressed by the Issuer and for discharge of liability by the Issuer. By issuing the aforesaid certificate of registration dated December 31, 2007 to the Issuer, RBI neither accepts any responsibility nor guarantee for the payment of any amount due to any investor in respect of the PDIs. All investors must make investment decisions based on their own analysis and RBI does not accept any responsibility about the repayment of such investment.

1.5 DISCLAIMER OF THE TRUSTEE

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

1.6 DISCLAIMER IN RESPECT OF JURISDICTION

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

1.7 DISCLAIMER CLAUSE OF THE RATING AGENCIES

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

1.8 FORCE MAJEURE

The Company reserves the right to withdraw the Issue at any time or any Tranche/Series under the Issue prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, collected in respect of that Tranche/Series without assigning any reason.

1.9 ISSUE OF PDIS IN DEMATERIALIZED FORM

The PDIs will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the PDIs in dematerialised form. Investors will have to hold the PDIs in dematerialised form as per the provisions of the Depositories Act. The Issuer shall take necessary

steps to credit the PDIs allotted to the beneficiary account maintained by the Investor with its Depository Participant. The Issuer will make the Allotment to Investors on the Deemed Date(s) of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

1.10 EACH PERSON RECEIVING THIS DISCLOSURE DOCUMENT ACKNOWLEDGES THAT:

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

SECTION – II DEFINITIONS AND ABBREVIATIONS

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

Company related terms

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

Issue related terms

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

| Term | Description |
|--|--|
| | Negotiable Instruments Act, 1881 (26 of 1881) (as may be amended/supplemented from time to time) and any other day on which banks are closed for customer business in Mumbai) on which money market is functioning in Mumbai and "Business Days" shall be construed accordingly. |
| Call Option | The option available to the Company, at its discretion, to redeem the PDIs on the relevant Call Option Date. |
| Call Option Date | If applicable in respect of any Tranche/Series, means a date falling on the day immediately succeeding the expiry of a period of 10 (Ten) years from the Deemed Date of Allotment of that Tranche/Series and any date thereafter, unless such day is not a Business Day, in which case the Call Option Date will be the preceding Business Day. |
| CDSL | Central Depository Services (India) Limited. |
| Deemed Date of Allotment | The deemed date of allotment of PDIs will be as specified in the relevant Supplemental DD(s) issued for each Tranche/Series of PDIs. |
| Depository(ies) | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Depository Participant/DP | A depository participant as defined under the Depositories Act. |
| Disclosure Document/ DD/ Shelf Disclosure Document | This Shelf Disclosure Document through which the Issue is being made and which contains the disclosures as per Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time. |
| DP-ID | Depository Participant Identification Number. |
| DRR | Debenture Redemption Reserve in accordance with the provisions of the Act. |
| Due Date | Any date on which the holders of the PDIs are entitled to any payments, in accordance with this DD and Supplemental DD. |
| ECS | Electronic Clearing System. |
| EGM | Extra Ordinary General Meeting. |
| Equity Shares | Equity shares of the Company of face value of Rs.10/- (Rupees Ten only) each. |
| Financial Year/ FY | 12 (Twelve) months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year. |
| Governmental Authority | The President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body and shall include, without limitation, a stock exchange and any regulatory body. |
| Indebtedness/Financial | Any indebtedness for or in respect of: |

| Term | Description |
|------------------------|---|
| Indebtedness | <ul style="list-style-type: none"> • monies borrowed; • any amount availed of by acceptance of any credit facility; • any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments; • the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease; • receivables sold or discounted (other than any receivables sold in the ordinary course of business or to the extent that they are sold on a non-recourse basis); • any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; • any derivative transaction entered into in connection with protection against or benefit from fluctuation in price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); • any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; • the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; • any put option, guarantees, keep fit letter(s), letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s); • any preference shares (excluding any compulsorily convertible preference shares); • (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (xi) above. |
| Interest / Coupon Rate | The rate of interest payable, if any, on the PDIs for the period specified in the relevant Supplemental DD issued for each Tranche/Series of the PDIs. |
| Issue | Private placement of the PDIs. |
| INR / Rs. | Rupees (Currency of Republic of India). |
| Investors | Those persons who fall under the category of eligibility to whom this DD along with Supplemental DD may be sent with a view to offering the PDIs for sale on private placement basis through this Disclosure Document. |
| Majority PDI Holder(s) | In respect of any Tranche/Series, the PDI Holder(s) holding an aggregate |

| Term | Description |
|--------------------------------|--|
| | amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the PDIs comprised in that Tranche/Series for the time being outstanding. It is however clarified that if a resolution is required to be passed in relation to a matter concerning a particular Tranche/Series only, then the term "Majority PDI Holder(s)" shall mean the PDI Holder(s) of that Tranche/Series holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the PDIs comprised in that Tranche/Series for the time being outstanding. |
| Market Lot | The minimum lot size for trading of the PDIs on the Stock Exchange, being 1 (one) PDI. |
| Material Adverse Effect | The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could cause a material and adverse effect on: <ul style="list-style-type: none"> i. the business activities, financial condition and credit standing of the Company; or ii. the ability of the Company to perform its obligations under the Transaction Documents; or iii. the validity or enforceability of, or the effectiveness of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder). |
| Mutual Fund | A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. |
| NEFT | National Electronic Funds Transfer Service. |
| NSDL | National Securities Depository Limited. |
| NA | Not Applicable. |
| NPA | Non Performing Asset. |
| PAN | Permanent Account Number. |
| PDI(s) | Unsecured, Subordinated, Rated, Listed, Perpetual Debt Instruments in the nature of Non-Convertible Debentures for cash aggregating upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) to be issued in one or more Tranches (and within any Tranche, in one or more Series) pursuant to this Shelf Disclosure Document and the Supplemental Disclosure Document(s). |
| PDI Holder | The holders of the PDIs issued by the Issuer and shall include the registered transferees of the PDIs from time to time. |
| Private Placement Offer Letter | Shall mean the offer letter prepared in compliance with section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, which shall be issued with respect to each Tranche/Series issued under the Issue. |

| Term | Description |
|---|---|
| Rating Agency(ies) | Credit Analysis & Research Limited a company incorporated under the provisions of the Act and having its registered office at [4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022] and CRISIL Limited, a company incorporated under the provisions of the Act and having its registered office at [Crisil House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076] |
| RBI | Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934, as amended from time to time. |
| Record Date | Shall mean in relation to any Due Date on which any payments are scheduled to be made by the Company to the PDI Holders, the day falling at least 15 (Fifteen) calendar days prior to such Due Date. |
| Registrar/Registrar to the Issue | Registrar to the Issue, in this case being Link Intime India Pvt. Ltd. |
| RoC | Registrar of Companies. |
| RTGS | Real Time Gross Settlement. |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992. |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI Debt Listing Regulations | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 vide notification dated October 12, 2012 and from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended/replaced from time to time. |
| Series | Any series of PDIs (within a Tranche) issued under the Issue pursuant to the issue of a Supplemental Disclosure Document and Private Placement Offer Letter. |
| Stock Exchange | BSE. |
| Super Majority PDI Holders | PDI Holder(s) of an amount representing not less than 3/4th (Three Fourth) in value of the nominal amount then outstanding of the PDIs under all the Tranches (within all Tranches, all Series) of PDIs under the Issue collectively. |
| Supplemental Disclosure Document(s) / Supplemental DD | Shall mean the supplemental disclosure document to be issued by the Company broadly in the format provided in Annexure E hereof containing <i>inter alia</i> the issue price, Interest Rate (if any) and other terms and conditions regarding each Tranche/Series of the PDIs issued under the Issue. The Company shall be free to amend the format of Supplemental DD depending |

| Term | Description |
|-----------------------|--|
| | upon the terms and conditions of the PDIs being issued in each Tranche/Series. |
| TDS | Tax Deducted at Source. |
| Tranche | Any tranche of PDIs issued under the Issue pursuant to the issue of a Supplemental DD and Private Placement Offer Letter. |
| Transaction Documents | The documents executed or to be executed in relation to the issuance of the PDIs as more particularly set out hereinafter. |
| The Trustee | Trustee for the PDI Holders, in this case being Axis Trustee Services Limited. |
| The Trustee Agreement | Agreement executed by and between the Trustee and the Company for the purposes of appointment of the Trustee to act as trustee in connection with the issuance of the PDIs. |
| The Trust Deed | The trust deed to be entered by and between the Company and the Trustee setting out the terms on which the PDIs are being issued and shall include the representation and warranties and the covenants to be provided by the Issuer and the Trustee. |
| WDM | Wholesale Debt Market Segment of the BSE. |
| Wilful Defaulter | Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008. |

SECTION – III RISK FACTORS

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

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

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

INTERNAL RISK FACTORS**3.1 CREDIT RISK**

Potential investors should be aware that receipt of any amounts that may be due in respect of the PDIs is subject to the credit risk of the Company.

Any lending and investment activity by the Company is exposed to credit risk arising from interest / repayment default by borrowers and other counterparties. Being an NBFC, the Company has lent money for various maturities and with varying security to a number of institutional and non-institutional clients. The assets under management of the Company were Rs. 44468.55 crore as on March 2018. The Company is exposed to the risk of such third parties which owe money, securities or other assets not performing their obligations due to various reasons.

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

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

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

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

Potential investors shall assume the risk that institution of any bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy against the Company, may substantially reduce or delay the payment of sums due on the PDIs.

3.2 NON-PERFORMING ASSETS ("NPA")

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

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

3.3 INTEREST RATE RISK

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

3.4 ACCESS TO CAPITAL MARKETS AND COMMERCIAL BORROWINGS

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

3.5 ASSET LIABILITY MISMATCH

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

3.6 OPERATIONAL AND SYSTEM RISK

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

If any of the systems do not operate properly or are disabled or if other shortcomings or failures in internal processes or systems are to arise, this could affect the Company's operations and/or result in financial loss, disruption of Company's businesses, regulatory intervention and/or damage to its reputation. In addition, the Company's ability to conduct business may be adversely impacted by a disruption (i) in the infrastructure that supports its businesses and (ii) in the localities in which it is located.

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

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

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

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

3.8 EMPLOYEE MISCONDUCT

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

3.9 DOWNGRADING IN CREDIT RATING

Credit Analysis & Research Limited has assigned "CARE AAA/Stable" (pronounced "CARE Triple A with stable outlook") rating and CRISIL Limited has assigned "CRISIL AAA/Stable" (pronounced "CRISIL Triple A with stable outlook") for long term borrowings upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) through PDIs. The Company cannot guarantee that this rating will not be

downgraded. In the event of deterioration in the financial health of the Company, there is a possibility that the Rating Agency may downgrade the rating of the PDIs. In such cases, potential investors may have to take losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. Such a downgrade in the credit rating may lower the value of the PDIs and/or the Company's ability to meet its obligations in respect of the PDIs could be affected.

3.10 NO DRR

As per the provisions of sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from the requirement of creation of DRR in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the PDIs and the Holders of PDIs may find it difficult to enforce their interests in the event of a default.

3.11 THE PDIs ARE UNSECURED

As the PDIs being issued by the Company are unsecured, in the event that the Company is unable to meet its payment and other obligations towards potential investors under the terms of the PDIs, the Trustee does not have any security which can be enforced to redeem the PDIs and the PDI Holders shall be treated as unsecured creditors of the Issuer.

3.12 THE PDIs ARE SUBORDINATED PERPETUAL INSTRUMENTS AND THE INVESTORS HAVE NO RIGHT TO REQUIRE REDEMPTION

The PDIs are perpetual in tenor and have no maturity date. The Company is under no obligation to redeem the PDIs at any time and the PDIs can only be disposed of by sale. PDI Holders who wish to sell their PDIs may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the PDIs.

3.13 THE PDIs MAY BE REDEEMED ONLY AT THE OPTION OF THE ISSUER ON THE CALL OPTION DATE

Save and except upon occurrence of an Event of Default, the terms and conditions provide that the PDIs are redeemable at the Company's option, subject to approval from the RBI, only on the Call Option Date. The date that the Company elects to redeem the PDIs may not accord with the preference of individual holders, which may be disadvantageous to holders in light of market conditions or the individual circumstances of the holder of the PDIs. Additionally, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the PDIs.

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

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

EXTERNAL RISK FACTORS**3.15 INCREASING COMPETITION FROM BANKS, FINANCIAL INSTITUTIONS AND OTHER NBFCs**

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

3.16 CHANGES IN GENERAL INTEREST RATES IN THE ECONOMY MAY AFFECT THE PRICE OF THE PDIs

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

3.17 TAX AND OTHER CONSIDERATIONS

Special tax, accounting and legal considerations may apply to certain types of potential investors. Potential investors are urged to consult with their own financial, legal, tax and other professional

advisors to determine any financial, legal, tax and other implications of an investment into the PDIs.

3.18 THE PDIS MAY BE ILLIQUID

The Company intends to list the PDIs on the WDM segment of the BSE. The Company cannot provide any guarantee that the PDIs will be frequently traded on the Stock Exchange and that there would be any market for the PDIs. The current trading of the Company's existing listed non-convertible debentures may not reflect the liquidity of the PDIs being offered through the Issue. It is not possible to predict if and to what extent a secondary market may develop for the PDIs or at what price the PDIs will be traded in the secondary market or whether such market will be liquid or illiquid. The fact that the PDIs may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. The Company may, but is not obliged to, at any time purchase the PDIs at any price in the market or by tender or private agreement. Any PDIs so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for PDI Holders to realise value for the PDIs prior to settlement of the PDIs.

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

3.19 FUTURE LEGAL AND REGULATORY OBSTRUCTIONS

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

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

3.20 MATERIAL CHANGES IN THE REGULATIONS GOVERNING THE COMPANY

NBFCs in India are subject to detailed supervision and regulation by the RBI, though currently NBFCs not accepting public deposits are exempt from many provisions. In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. The RBI also requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs including risk weights on assets and/or

provisioning norms for NPAs and/or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is classified as a NBFC-ND-SI, which is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products.

3.21 A SLOWDOWN IN ECONOMIC GROWTH IN INDIA

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

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

If there was to be any slowdown in the economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the Company's business. Financial difficulties and other problems in certain financial institutions in India could cause the Company's business to suffer. The Company is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties, trends and other problems faced by certain Indian financial institutions. The problems faced by such Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create an adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect the Company's business, its future financial performance and its shareholders' funds.

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

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

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

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

3.25 REGULATORY RESTRICTIONS

The instruments for offer are in the nature of Unsecured Subordinated Rated Listed Perpetual Debt Instruments in the nature of Non-Convertible Debentures. Redemption of the PDIs will be subject to Master Direction – Non- Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by RBI via notification DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016.

As per the aforesaid RBI direction:

- 1) the claims of the investors in PDI shall be
 - a) Superior to the claims of investors in Equity Shares; and
 - b) Subordinated to the claims of all other creditors (but *pari passu inter se* the PDI Holders).
- 2) the PDIs could be subject to a lock-in as under:
 - a) the PDIs shall be subjected to a lock-in clause in terms of which the Company may defer the payment of interest, if
 - the Company's capital to risk assets ratio (CRAR) is below the minimum regulatory requirement prescribed by RBI; or
 - the impact of such payment results in the Company's CRAR falling below or remaining below the minimum regulatory requirement prescribed by the RBI;
 - b) However, the Company may pay interest with the prior approval of RBI when the impact of such payment may result in net loss or increase the net loss, provided the CRAR remains above the regulatory norm.
 - c) The interest shall not be cumulative except in cases as in (a).

SECTION – IV FINANCIAL STATEMENTS

(Rs in Crores)

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

SECTION – V REGULATORY DISCLOSURES

This Shelf Disclosure Document is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI (Issue and Listing of Debt Securities), 2008 as amended from time to time.

5.1 Documents Submitted to the Stock Exchange

- Memorandum and Articles of Association and necessary resolution(s) for the allotment of the PDIs;
- Copy of last three years audited annual reports;
- Statement containing particulars of, dates of, and parties to all material contracts and agreements;

- (d) Copy of the Board / committee resolution authorizing the borrowing and list of authorized signatories;
- (e) An undertaking from the Issuer stating that the necessary documents for the Issue, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc and the same would be uploaded on the website of the BSE, where the PDIs are proposed to be listed, within 5 (five) working days of execution of the same;
- (f) Any other particulars or documents that the recognized stock exchange may call for as it deems fit;

5.2 Documents Submitted to the Trustee

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

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

5.3 Name and Address of the following:

| Sr. No. | Particulars | Details |
|---------|--|--|
| 1. | Name of the Issuer | HDB Financial Services Limited |
| 2. | Registered Office of the Issuer | Radhika, 2 nd Floor, Law Garden Road, Navrangpura, Ahmedabad – 380 009 |
| 3. | Corporate Office of the Issuer | Ground Floor, Zenith House, Keshavrao Khadye Marg, Opp. Race Course Gate No.6, Mahalaxmi, West Mumbai – 400034 |
| 4. | Company Secretary and Compliance Officer of the Issuer | Ms. Dipti Khandelwal (Membership No.:A25592) Email: compliance@hdbfs.com |
| 5. | Chief Financial Officer of the Issuer | Mr. Haren Parekh Email: haren.parekh@hdbfs.com |
| 6. | Arrangers, if any, of the instrument | As per relevant Supplemental DD |
| 7. | Trustee of the Issue | Axis Trustee Services Limited |

| Sr. No. | Particulars | Details |
|---------|-----------------------------------|--|
| | | Ground Floor, Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400 025 Tel: 022 6226 0050/54; Fax: 022-43253000 E-mail: debenturetrustee@axistrustee.com; website: www.axistrustee.com |
| 8. | Registrar of the Issue | Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel: +91 22 49186000; Fax: +91 22 49186060 E-mail: ganesh.jadhav@linkintime.co.in Website: www.linkintime.co.in |
| 9. | Credit Rating agency of the Issue | Credit Analysis & Research Limited 4 th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Tel: +91 22 67543456 ; Fax: +91 22 67543457 website: www.careratings.com CRISIL Limited Crisil House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076 Tel: 91 22 3342 3000; Fax: 91 22 3342 3001 website: www.crisil.com |
| 10. | Statutory Auditors of the Issuer | M/s B S R & Co. LLP Chartered Accountants, Lodha Excelus, 1 st Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400011 Tel: +91 22 39896000; Fax: +91 22 30902511 |

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

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

Business Activity:

The current product portfolio consists of three main categories i.e. loans, Fee based products and BPO services.

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

Consumer Loans:

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

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

Consumer Loans Portfolio includes:

- Consumer Durable Loan
- Digital Product Loan
- Gold Loan
- Auto Loan
- Personal Loans
- Loan against Mutual Fund units

Enterprise Loans:

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

Various Loans offered to Enterprises include:

- Unsecured Business Loan
- Loan Against Property
- Loan against lease Rental
- Enterprise Business Loan
- Auto Refinance
- Loan against Share and Securities

Asset Finance - The Company offers loans for purchase of new & used vehicles and equipment that generate income for the borrowers. The Company provides finance to a board spectrum of customer including fleet owners, first time users, first time buyers and captive use buyers.

- **Commercial Vehicle Loans** - The Company provides loans for purchase of new and used commercial vehicles. The Company also offers refinancing on existing vehicles.

- **Construction Equipment Loans** - The Company provides loans for purchase of new and used construction equipment.

- **Tractor Loans** - The Company provides loans for purchase of new and used tractors.

Fee based products:

- The company is a registered Company Insurance Agent having license No. HDF 4684721 from Insurance Regulatory & Development Authority of India (IRDAI). The Company sells Life and General Insurance products of HDFC Standard Life Insurance Company Limited and HDFC Ergo

General Insurance Company Limited respectively. IRDAI has renewed Corporate Agency license of the Company which is valid for three years from April 01, 2016 to March 31, 2019 vide license reg. no.CA0095 dated March 22, 2016.

BPO Services :-

- Collection Services- The Company has a contract with HDFC Bank to run collection call centres and collect overdues from borrowers. The Company has set up 13 call centres across the country with a capacity of over 4500 seats. These centres provide collection services for the entire gamut of retail lending products of HDFC Bank. The Company offers end to end collection services in over 500 locations through its calling and field support teams.
- Back office and Sales Support- The Company provides sales support services, back office, operations and processing support to HDFC Bank.

Infrastructure: The Company has 1165 branches in 831 cities in India as on March 31, 2018. The Company has its data centre at Bengaluru and Mumbai with centralised operations based at Hyderabad and Chennai. To strengthen its internal processes the company has implemented a quality management system in its centralised operations at Hyderabad and Chennai. The operations of the Company are ISO:9001:2008 certified by BSI.

Issuer's Loan Portfolio

(Rs. in crores)

| Particulars | Amount (as on March 31, 2018) |
|--------------------------|-------------------------------|
| Loan against property | 18290 |
| Asset Finance loans | 13914 |
| Unsecured Business loans | 8944 |
| Other Secured loans | 2424 |
| Total | 43573 |

(a) Overview:

HDB Financial Services Ltd. was incorporated in Ahmedabad on June 4, 2007, as a non deposit taking Non Banking Financial Company (NBFC) as defined under section 45-1A of RBI Act 1934 and is engaged in the business of financing. The Company achieved total income of Rs. 7061.99 crores and net profit of Rs. 951.74 crores in FY 17-18 with total net worth of Rs. 6202.23 crores as at March 31, 2018. The Company is promoted by HDFC Bank Ltd. which has 95.87% shareholding in the Company as on March 31, 2018. The Company has been rated AAA/Stable by CARE and CRISIL for long term loans from banks. The Company's capital adequacy ratio as on March 31, 2018 was 17.49%, as against minimum regulatory requirement of 15% for non deposit accepting NBFCs. The asset quality of the Company remains healthy with Gross NPAs at 1.58% and Net NPAs at 0.96% as on March 31, 2018. During FY 17-18, the Company has disbursed loans amounting to Rs. 25,341 Crores.

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

Business Strategy:

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

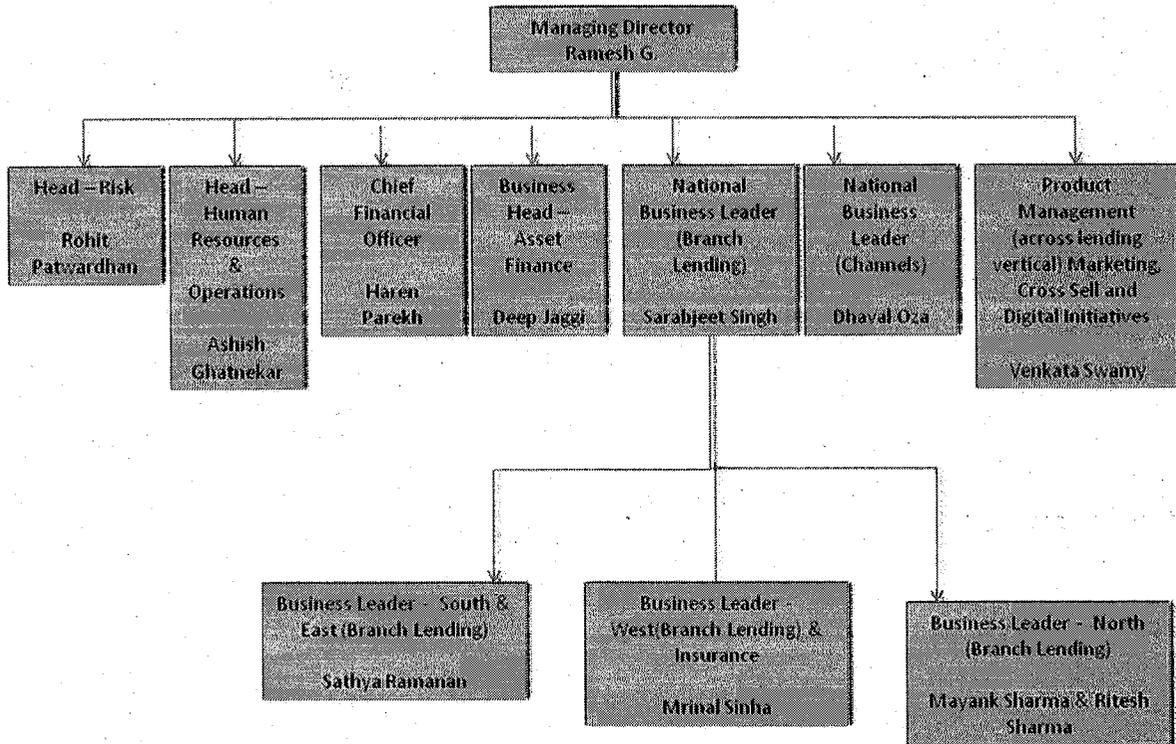
The Company's business strategy emphasizes the following:

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

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

(b) Corporate Structure:

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

Organization Structure - Corporate

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

(Rs. in crores)

| Parameters | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|--|------------|------------|------------|
| Net worth | 6202 | 5363 | 3562 |
| Total Debt | 34981 | 25587 | 19612 |
| Non current maturities of long term borrowing | 21861 | 18760 | 13470 |
| Non current maturities of short term borrowing | 3000 | 2080 | 910 |
| Current maturities of long term borrowing | 10120 | 4747 | 5231 |
| Net Fixed Assets | 137 | 131 | 83 |
| Non Current Assets | 31099 | 24221 | 18940 |
| Cash and Cash Equivalents | 137 | 189 | 135 |
| Current Investments | 400 | 400 | 300 |
| Current Assets | 12981 | 8515 | 5731 |
| Current Liabilities | 3159 | 2157 | 1752 |
| Assets under Management | 43573 | 34277 | 25906 |
| Off Balance Sheet Assets | 896 | 1985 | 1497 |

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

Gross Debt: Equity Ratio of the Company

| | |
|---|-----|
| Before the issue of debt securities (as on [●]) | [●] |
| After the issue of debt securities | [●] |

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

Not Applicable

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

History of the Company

The Company was promoted by HDFC Bank as non-banking financial company (Non Deposit taking) and the Company continues to be a subsidiary of HDFC Bank which has a shareholding of 95.87% as on June 30, 2018. The key milestones in the history of the Company since incorporation are as follows:

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

(a) **Details of Share Capital as on last quarter end, i.e. June 30, 2018:**

| Share Capital | Particulars |
|---|--|
| Authorised Share Capital | Rs. 1001,55,00,000 comprising: - 100,15,50,000 Equity Shares of Rs. 10/- each |
| Issued, Subscribed and Paid up Share Capital | Rs. 7,82,94,07,560 comprising: - 78,29,40,756 Equity Shares of Rs.10/- each |

Notes:

Of the above Issued, Subscribed and Paid up share capital 750,596,670 Equity Shares are held by HDFC Bank Ltd., the holding company of the Company.

The paid-up share capital shall remain unchanged after the issues. The PDIs being Non-Convertible and to be issued at par, there will be no change in the paid-up capital due to conversion and there will be no change in the balance of the share premium account.

- (b) Changes in its capital structure as on last quarter end i.e. June 30, 2018 for the last five years:
Change in Authorised Share Capital of the Company as on the last quarter end for the last five years:

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

- (c) **Equity Share Capital History of the Company as on the last quarter end i.e. June 30, 2018 for the last five years:**

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

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

| | | | | | | | | | |
|----------|---------------|----|------|--|------------------|-------------------|------------|-------------|---|
| | | | | | | 0 | | | |
| 11/07/13 | 102691 469 | 10 | Cash | 46 | Rights Issue | 5134 5721 9 | 5134572190 | 7687342324 | - |
| 29/08/13 | 13950 | 10 | Cash | 17.50 | ESOS Exercise | 5134 7116 9 | 5134711690 | 7687446949 | - |
| 29/08/13 | 3000 | 10 | Cash | 25 | ESOS Exercise | 5134 7416 9 | 5134741690 | 7687491949 | - |
| 04/12/13 | 276050 | 10 | Cash | Series 4 - 17.5/- Series 5 - 25/- Series 6 - 31/- | ESOS Exercise | 5137 5021 9 | 5137502190 | 7691636599 | - |
| 26/11/14 | 565800 | 10 | Cash | Series 4C - 17.5/- Series 5C - 25/- Series 6A - 31/- Series 6B - 31/- Series 7A - 56 | ESOS Exercise | 5143 1601 9 | 5143160190 | 7712243399 | - |
| 05/03/15 | 565800 | 10 | Cash | 65 | Rights Issue | 6994 6987 6 | 6994698760 | 17895705534 | - |
| 27/08/15 | 141600 | 10 | Cash | Series 4C - 17.5/- Series 5B - | ESOS Exercise | 6996 1147 6 | 6996114760 | 17900753734 | - |

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| | | | | | | | | | |
|------------|--------|----|------|--|------------------|-------------------|------------|-------------|---|
| | | | | 25/- Series 6A - 31/- Series 6B - 31/- Series 7A - 56/- | | | | | |
| 30/11/15 | 560950 | 10 | Cash | Series 6B - 31/- Series 6C - 31/- Series 7A - 56/- Series 7B - 56/- | ESOS Exercise | 7001 7242 6 | 7001724260 | 17922581184 | - |
| 29/09/16 | 352900 | 10 | Cash | Series 5C - 25/- Series 6B - 31/- Series 6C - 31/- Series 7A - 56/- Series 7B - 56/- | ESOS Exercise | 7005 2532 6 | 7005253260 | 17937273084 | - |
| 29/11/2016 | 907900 | 10 | Cash | Series 6C - 31/- Series 7B - 56/- | ESOS Exercise | 7014 3322 6 | 7014332260 | 18014911884 | |

| | | | | | | | | | |
|------------|-----------------------------|----------------|------|--|------------------------|--|--|---|--|
| | | | | 56/- Series 8A - 88/- | | | | | |
| 16/12/2016 | 75,60,985 | 10 | Cash | | Scheme of amalgamation | 708994211 | 7089942110 | 18014911884 | |
| 14/02/2017 | 3,18,640 | 10 | Cash | Series 6C - 31/- Series 7B - 56/- Series 8A - 88/- | ESOS Exercise | 709312851 | 7093128510 | 18042031004 | |
| 23/03/2017 | 70931445 | 10 | Cash | 155 | Rights issue | 780244296 | 7802442960 | 28327090529 | |
| 28/9/2017 | 1200 97600 407860 | 10 10 10 | Cash | Series 6C - 31/- Series 7B - 56/- Series 8A - 88/- | ESOS Exercise | 780245496 45496 780343096 780343096 7807509560 7807509560 | 7802454960 7803430960 7807509560 | 28327115729 28331605329 28363418409 | |
| 05/12/2017 | 32900 1057600 1094800 | 10 10 10 | Cash | Series 8A - 88/- Series 8B - 88/- Series 9A - | ESOS Exercise | 782936256 782936256 6 | 7829362560 | 28580005409 | |

| | | | | | | | | | |
|------------|------|----|------|-------|---------------|-------------------|------------|-------------|---|
| | | | | 137/- | | | | | |
| 30/05/2018 | 4500 | 10 | Cash | 88 | ESOS Exercise | 7829 4075 6 | 7829407560 | 28580356409 | - |

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

None

(e) Details of any Re-organisation or Reconstruction in the last one year:

Not Applicable

5.6 Details of the shareholding of the Company as on the latest quarter ended June 30, 2018:(a) Shareholding pattern of the Company as on June 30, 2018:

| Sr. No. | Particulars | No. of equity shares held | No. of shares held in demat form | Total Shareholding as % of total no. of equity shares |
|---------|-------------|---------------------------|----------------------------------|---|
| 1 | HDFC Bank | 75,05,96,670 | 75,05,96,670 | 95.87% |
| 2 | Others | 3,23,44,086 | 3,23,44,086 | 4.13% |

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

(b) List of Top Ten holders of equity shares of the Company as on the latest quarter end i.e. June 30, 2018:

The list of top ten holders of Equity Shares of the Company as on June 30, 2018 is as under:

| Sr. No. | Name of Shareholder | Total Number of Equity Shares | No. of shares in demat form | Shareholding as % of total shares |
|---------|--|-------------------------------|-----------------------------|-----------------------------------|
| 1. | HDFC BANK LTD | 750,596,670 | 750,596,670 | 95.87 |
| 2. | HDB EMPLOYEE WELFARE TRUST (THROUGH ITS TRUSTEES) | 2,618,699 | 2,618,699 | 0.33 |
| 3. | HDBFS EMPLOYEES WELFARE TRUST (THROUGH ITS TRUSTEES) | 1,922,062 | 1,922,062 | 0.25 |
| 4. | VISTRA ITCL (INDIA) LIMITED | 1,481,284 | 1,481,284 | 0.19 |
| 5. | VINOD YENNEMEDI | 893,198 | 893,198 | 0.11 |
| 6. | HARISH H ENGINEER | 653,256 | 653,256 | 0.08 |

| | | | | |
|-----|--------------------------|----------|----------|------|
| 7. | RAMESH G. | 474,500 | 474,500 | 0.06 |
| 8. | ANKITA PARESH SUKTHANKAR | 435,000 | 435,000 | 0.06 |
| 9. | ASHISH PARTHASARTHY | 415,278 | 415,278 | 0.05 |
| 10. | ABHAY AIMA | 4,00,076 | 4,00,076 | 0.05 |

5.7 Following details of the directors of the Company as on date*:

(a) Details of the current directors of the Company:

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

| Name, Designation and DIN | Date of birth | Address | Occupation | Director of the Company Since | Details of other directorship |
|--|---------------|--|------------|-------------------------------|---|
| Director DIN - 00246012 | | Marg, Mumbai- 400028 | | | |
| Ms. Smita Affinwalla Independent Director DIN - 07106628 | 04.11.1962 | 7A, A Block, 3rd Floor, Khalakdina Terrace, August Kranti Marg, Mumbai- 400 036 | Consultant | 12.03.2015 | 1. Avameh Consultancy Private Limited 2. Illuminos Consultancy Private Limited 3. Sicom Limited |

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

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

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

5.8 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

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

- (b) Details of change in auditor since last three years:
None

5.9 Details of Borrowings of the Company, as on the latest quarter end i.e. June 30, 2018:

- (a) Details of Secured Loan Facilities as on June 30, 2018:

| Lender's name | Type of Facility | Amount Sanctioned (Rs. in Crore) | Principal Amount Outstanding (Rs. in Crore) | Security |
|------------------|------------------|----------------------------------|---|-----------|
| Axis Bank | Term Loan | 450.00 | 450.00 | Book Debt |
| Canara Bank | Term Loan | 3,450.00 | 3,150.00 | Book Debt |
| Corporation Bank | Term Loan | 1,070.00 | 1,070.00 | Book Debt |
| Deutshe Bank | Term Loan | 500.00 | 500.00 | Book Debt |
| Federal Bank | Term Loan | 400.00 | 400.00 | Book Debt |
| HDFC Bank | Term Loan | 3,772.73 | 2,372.73 | Book Debt |
| HSBC Bank | Term Loan | 110.00 | 110.00 | Book Debt |
| ICICI Bank | Term Loan | 1,500.00 | 1,500.00 | Book Debt |
| Indian Bank | Term Loan | 850.00 | 850.00 | Book Debt |
| J&K Bank | Term Loan | 580.00 | 580.00 | Book Debt |
| JP Morgan | Term Loan | 500.00 | 500.00 | Book Debt |
| Karnataka Bank | Term Loan | 450.00 | 450.00 | Book Debt |

| | | | | |
|---------------------|-----------|------------------|------------------|-----------|
| State Bank Of India | Term Loan | 1,499.52 | 1,499.52 | Book Debt |
| SIDBI | Term Loan | 1,200.00 | 1,200.00 | Book Debt |
| Indusind Bank | Term Loan | 2,000.00 | 0.00 | Book Debt |
| TOTAL | | 18,332.25 | 14,632.25 | |

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

(b) Details of Unsecured Loan Facilities as on June 30, 2018:

None

(c) Details of NCDs as on June 30, 2018

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

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| | | | | | |
|------------------------------|------|-------------|-----|----------|----------|
| Series 2016 A/1/73_Option 2 | 1086 | 8.8103 | 58 | 01-02-16 | 22-01-19 |
| Series 2016 A/1/73_Option 3 | 1149 | 8.8100 | 61 | 01-02-16 | 26-03-19 |
| Series 2016 B/4/74 | 1094 | 8.7200 | 500 | 03-03-16 | 02-03-19 |
| Series 2016 A/1/75 | 1095 | 8.9000 | 175 | 29-02-16 | 28-02-19 |
| Series 2016 A/0/76_Option 1 | 1107 | Zero Coupon | 133 | 14-03-16 | 26-03-19 |
| Series 2016 A/1/76_Option 2 | 1093 | 8.8394 | 110 | 14-03-16 | 12-03-19 |
| Series 2016 A/1/77 | 1125 | 8.4800 | 330 | 13-04-16 | 13-05-19 |
| Series 2016 A/1/78_Option 1 | 1136 | 8.5400 | 100 | 02-05-16 | 12-06-19 |
| Series 2016 A/1/78_Option 2 | 1095 | 8.5500 | 75 | 02-05-16 | 02-05-19 |
| Series 2016 A/1/79 | 1123 | 8.6300 | 202 | 20-05-16 | 17-06-19 |
| Series 2016 A/1/80 | 1125 | 8.6900 | 130 | 03-06-16 | 03-07-19 |
| Series 2016 A/1/82_Option 1 | 1368 | 8.6580 | 100 | 14-06-16 | 13-03-20 |
| Series 2016 A/1/82_Option 2 | 1186 | 8.6530 | 200 | 14-06-16 | 13-09-19 |
| Series 2016 A/1/83 | 973 | 8.5800 | 100 | 08-07-16 | 08-03-19 |
| Series 2016 A/1/84_Option 1 | 730 | 8.3500 | 175 | 27-07-16 | 27-07-18 |
| Series 2016 A/1/84_Option 2 | 1097 | 8.4000 | 175 | 27-07-16 | 29-07-19 |
| Series 2016 A/1/85_Option 1 | 730 | 8.2700 | 200 | 03-08-16 | 03-08-18 |
| Series 2016 A/0/85_Option 2 | 1135 | Zero Coupon | 100 | 03-08-16 | 12-09-19 |
| Series 2016 A/1/86 | 1094 | 8.3000 | 200 | 10-08-16 | 09-08-19 |
| Series 2016 A/0/87 | 730 | Zero Coupon | 200 | 23-08-16 | 23-08-18 |
| Series 2016 A/1/88 | 1278 | 8.0550 | 260 | 01-09-16 | 02-03-20 |
| Series 2016 A/1/89_Option 1 | 1097 | 7.9500 | 102 | 15-09-16 | 17-09-19 |
| Series 2016 A/0/89_Option 2 | 1187 | Zero Coupon | 100 | 15-09-16 | 16-12-19 |
| Series 2016 A/0/89_Option 3 | 791 | Zero Coupon | 195 | 15-09-16 | 15-11-18 |
| Series 2016 A/1/90 | 731 | 7.8500 | 270 | 23-09-16 | 24-09-18 |
| Series 2016 A/0/91_Option 1 | 1094 | Zero Coupon | 200 | 28-09-16 | 27-09-19 |
| Series 2016 A/1/91_Option 2 | 1094 | 7.9000 | 100 | 28-09-16 | 27-09-19 |
| Series 2016 A/1/92 | 786 | 7.6400 | 175 | 19-10-16 | 14-12-18 |
| Series 2016 A/1/93 | 1093 | 7.7800 | 135 | 27-10-16 | 25-10-19 |
| Series 2016 A/1/94_Option 1 | 759 | 7.9300 | 200 | 08-11-16 | 07-12-18 |
| Series 2016 A/1/94_Option 2 | 1123 | 7.9700 | 300 | 08-11-16 | 06-12-19 |
| Series 2016 A/1/95 | 730 | 7.5800 | 250 | 22-11-16 | 22-11-18 |
| Series 2016 A/1/96 | 730 | 7.4100 | 200 | 29-11-16 | 29-11-18 |
| Series 2016 A/1/97 | 1128 | 7.5000 | 215 | 01-12-16 | 03-01-20 |
| Series 2016 A/1/98 | 729 | 7.9500 | 110 | 29-12-16 | 28-12-18 |
| Series 2016 A/1/99_Option 1 | 1105 | 7.6800 | 110 | 17-01-17 | 27-01-20 |
| Series 2016 A/1/99_Option 2 | 730 | 7.6300 | 125 | 17-01-17 | 17-01-19 |
| Series 2016 A/1/99_Option 3 | 1126 | 7.6735 | 100 | 17-01-17 | 17-02-20 |
| Series 2017 A/1/100_Option 1 | 765 | 7.6800 | 200 | 25-01-17 | 01-03-19 |
| Series 2017 A/0/100_Option 2 | 1150 | Zero Coupon | 300 | 25-01-17 | 20-03-20 |
| Series 2017 A/1/101_Option 1 | 546 | 7.6040 | 100 | 31-01-17 | 31-07-18 |
| Series 2017 A/1/101_Option 2 | 730 | 7.6700 | 150 | 31-01-17 | 31-01-19 |

| | | | | | |
|------------------------------|------|-------------|-----|----------|----------|
| Series 2017 A/1/101_Option 3 | 1119 | 7.7100 | 200 | 31-01-17 | 24-02-20 |
| Series 2017 A/1/102 Option 1 | 730 | 7.7500 | 160 | 22-02-17 | 22-02-19 |
| Series 2017 A/1/102 Option 2 | 1097 | 7.8200 | 260 | 22-02-17 | 24-02-20 |
| Series 2017 A/1/103 | 1126 | 7.7600 | 135 | 26-04-17 | 26-05-20 |
| Series 2017 A/1/104_Option 1 | 764 | 7.7900 | 225 | 11-05-17 | 14-06-19 |
| Series 2017 A/1/104_Option 2 | 1127 | 7.8300 | 100 | 11-05-17 | 11-06-20 |
| Series 2017 A/0/104_Option 3 | 1154 | Zero Coupon | 125 | 11-05-17 | 08-07-20 |
| Series 2017 A/1/105 | 1127 | 7.8000 | 100 | 18-05-17 | 18-06-20 |
| Series 2017 A/1/106 | 1127 | 7.8000 | 300 | 29-05-17 | 29-06-20 |
| Series 2017 A/1/107_Option 1 | 745 | 7.6300 | 150 | 13-06-17 | 28-06-19 |
| Series 2017 A/1/107_Option 2 | 1095 | 7.7000 | 200 | 13-06-17 | 12-06-20 |
| Series 2017 A/1/108 | 1096 | 7.5500 | 375 | 19-06-17 | 19-06-20 |
| Series 2017 A/1/109 | 1126 | 7.5200 | 500 | 18-07-17 | 17-08-20 |
| Series 2017 A/1/110 | 1159 | 7.4300 | 400 | 27-07-17 | 28-09-20 |
| Series 2017 A/1/111_Option 1 | 730 | 7.2800 | 400 | 28-08-17 | 28-08-19 |
| Series 2017 A/1/111_Option 2 | 521 | 7.1600 | 130 | 28-08-17 | 31-01-19 |
| Series 2017 A/1/112 | 1096 | 7.3000 | 400 | 08-09-17 | 08-09-20 |
| Series 2017 A/0/113 | 1126 | Zero Coupon | 400 | 20-09-17 | 20-10-20 |
| Series 2017 A/1/114 | 1127 | 7.5000 | 500 | 18-10-17 | 18-11-20 |
| Series 2017 A/1/115 | 730 | 7.4200 | 200 | 31-10-17 | 31-10-19 |
| Series 2017 A/1/116 | 1097 | 7.6300 | 800 | 06-12-17 | 07-12-20 |
| Series 2018 A/1/117 | 1186 | 7.9407 | 145 | 15-01-18 | 15-04-21 |
| Series 2018 A/0/118_Option 1 | 1151 | Zero Coupon | 373 | 16-03-18 | 10-05-21 |
| Series 2018 A/0/118_Option 2 | 1117 | Zero Coupon | 299 | 16-03-18 | 06-04-21 |
| Series 2018 A/0/119 | 1103 | Zero Coupon | 663 | 01-06-18 | 08-06-21 |
| Series 2018 A/1/120_Option 1 | 1106 | 8.8100 | 215 | 27-06-18 | 07-07-21 |
| Series 2018 A/0/120_Option 2 | 548 | Zero Coupon | 450 | 27-06-18 | 27-12-19 |

***Note – All the above-mentioned NCDs are rated AAA/Stable by Credit Analysis & Research Limited & CRISIL Limited and are secured against "Immovable property & receivables from financing activities".**

(d) List of Top Ten Debenture Holders as on June 30, 2018:-

| Sr. No. | Name of the Debenture Holder | Amount (Rs. in lakhs) |
|---------|---------------------------------|--------------------------|
| 1 | HDFC TRUSTEE COMPANY LTD | 142300.00 |
| 2 | HDFC BANK LTD | 115500.00 |
| 3 | IDFC MUTUAL FUND | 100990.00 |
| 4 | RELIANCE CAPITAL TRUSTEE CO LTD | 87000.00 |
| 5 | WIPRO LIMITED | 82500.00 |
| 6 | HINDUSTAN ZINC LIMITED | 79500.00 |

| | | |
|----|--|----------|
| 7 | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED | 65800.00 |
| 8 | COGNIZANT TECHNOLOGY SOLUTIONS INDIA PRIVATE LIMITED | 51000.00 |
| 9 | RELIANCE VENTURES LIMITED | 45000.00 |
| 10 | LIFE INSURANCE CORPORATION OF INDIA P & GS FUND | 40000.00 |

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

(e) Details of Subordinated Bonds outstanding as on June 30, 2018:

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

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

(f) List of Top Ten Subordinated Bondholders as on June 30, 2018

| Sr. No. | Name of the Debenture Holder | Amount |
|---------|---|----------------|
| | | (Rs. in lakhs) |
| 1 | NPS TRUST | 45000.00 |
| 2 | POSTAL LIFE INSURANCE FUND | 21000.00 |
| 3 | ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED | 20000.00 |
| 4 | INFOSYS LIMITED EMPLOYEES PROVIDENT FUND TRUST | 12200.00 |
| 5 | RURAL POSTAL LIFE INSURANCE FUND | 9500.00 |

| | | |
|----|--|---------|
| 6 | HDFC STANDARD LIFE INSURANCE COMPANY LIMITED | 5000.00 |
| 7 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 5000.00 |
| 8 | MARUTI SUZUKI INDIA LIMITED EMPLOYEES PROVIDENT FUND TRUST | 4380.00 |
| 9 | THE UNION PROVIDENT FUND | 3600.00 |
| 10 | UNITED INDIA INSURANCE COMPANY LIMITED | 3500.00 |

- (g) The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, entity, group company, etc.) on behalf of whom it has been issued:
Not Applicable

- (h) Details of Commercial Paper:

The total Face Value of Commercial Papers Outstanding as on June 30, 2018 and its breakup are as follows:

| CP Series | Amount (Rs. In crores) | Rate % | No. of days | Issue Date | Due Date |
|-----------|------------------------------|--------|----------------|------------|----------|
| 152 | 200 | 7.0100 | 364 | 20-09-17 | 19-09-18 |
| 153 | 300 | 7.0500 | 361 | 29-09-17 | 25-09-18 |
| 156 | 100 | 7.1000 | 364 | 11-10-17 | 10-10-18 |
| 161 | 200 | 7.7500 | 261 | 10-01-18 | 28-09-18 |
| 169 | 400 | 7.9000 | 179 | 12-03-18 | 07-09-18 |
| 170 | 400 | 7.9000 | 364 | 19-03-18 | 18-03-19 |
| 172 | 300 | 7.6000 | 90 | 27-04-18 | 26-07-18 |
| 173 | 100 | 7.8100 | 90 | 14-06-18 | 12-09-18 |
| 174 | 300 | 7.8100 | 89 | 15-06-18 | 12-09-18 |

- (i) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference shares) as on June 30, 2018:
N.A.

- (j) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years:
As on June 30, 2018 there was no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities.

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

5.10 Details of Promoters of the Company:

(a) Details of Promoter holding in the Company as on June 30, 2018:

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

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

| Balance Sheet (Currency : Indian Rupees in Crores) | March 31, 2018 | March 31, 2017 | March 31, 2016 |
|---|-----------------|-----------------|-----------------|
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 782.94 | 780.24 | 700.17 |
| Reserves and surplus | 5419.29 | 4582.66 | 2861.63 |
| Total (A) | 6202.23 | 5362.9 | 3561.8 |
| Non-current liabilities | | | |
| Long-term borrowings | 21860.59 | 18760.22 | 13470.45 |
| Other long-term liabilities | 145.72 | 159.74 | 113.35 |
| Long-term provisions | 265.73 | 189.03 | 150.15 |
| Total (B) | 22272.04 | 19108.99 | 13733.95 |
| Current liabilities | | | |
| Short-term borrowings | 3000.24 | 2080 | 910.38 |
| Trade payables | 339.93 | 283.27 | 204.59 |
| Other current liabilities | 12263.94 | 6092.29 | 6410.26 |
| Short-term provisions | 675.54 | 528.64 | 368.09 |
| Total (C) | 16279.65 | 8984.2 | 7893.35 |
| Grand total (A+B+C) | 44753.92 | 33456.09 | 25189.07 |
| II. ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| i. Tangible assets | 129.72 | 125.79 | 81.29 |
| ii. Intangible assets | 7.30 | 5.18 | 1.54 |
| iii. Capital work-in-progress | 0.00 | 0.24 | - |
| Non-current investments | 30.71 | 65.06 | 48.42 |
| Deferred tax assets | 185.67 | 138.45 | 110.48 |

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

| Cash Flow Statement (in INR) | March 31, 2018 | March 31, 2017 | March 31, 2016 |
|---|----------------|----------------|----------------|
| A. Cash flows from operating activities | | | |
| Profit/(Loss) before tax | 1464.52 | 1058.59 | 817.81 |
| Adjustments for: | | | |
| Depreciation and amortisation | 45.31 | 38.62 | 19.89 |
| Provision and write offs | 519.35 | 339.59 | 194.24 |
| Provision for compensated absence & gratuity | 12.26 | 14.87 | 1.75 |
| Discount on commercial paper | 256.25 | 219.76 | 126.97 |
| (Profit)/loss on sale of asset | 0.15 | 0.14 | 0.05 |
| Interest Expenses | 2092.1 | 1821.45 | 1440.07 |
| Interest Income | -5146.05 | -4087.08 | -3015.99 |
| Gain on sale of current investment (net) | -2.08 | -1.24 | -2.06 |
| Dividend Income | 0 | -1.95 | -0.93 |
| Operating profit before working capital changes | -758.19 | -597.23 | -418.2 |
| Changes in working capital: | | | |
| (Increase)/decrease in advances | 27.57 | -77.44 | -39.92 |
| (Increase)/decrease in trade receivable | -11.02 | -52.28 | -9.03 |
| (Increase)/decrease in other assets | -281.15 | -244.96 | -154.95 |
| Increase/(decrease) in other liabilities and provisions | -779.24 | -815.94 | 105.71 |
| Increase/(decrease) in Trade payables | 56.67 | 80.24 | 152.63 |

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

| | For the year ended | For the year ended | For the year ended |
|--|--------------------|--------------------|--------------------|
| Profit and Loss Statement (in INR Lakhs) | March 31, 2018 | March 31, 2017 | March 31, 2016 |

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

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

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

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

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

5.14 Name of the Trustee and consents thereof:

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

Axis Trustee Services Limited
Ground Floor, Axis House,
Wadia International Centre,
Pandurang Budhkar Marg,

Worli, Mumbai -400 025
Phone no. 022 6226 0050/54
Fax - 022-43253000
Email: debenturetrustee@axistrustee.com

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

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

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

Copy of the rating rationale dated September 12, 2017, issued by Credit Analysis & Research Limited and rationale dated CRISIL Limited issued by July 02, 2018, assigning the credit rating abovementioned are annexed hereto as **Annexure B**.

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

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

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

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

5.18 Other Details:

(a) DRR:

As per the provisions of Section 71 of the Companies Act, 2013 read with sub-rule 7 of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are exempt from this requirement of creation of DRR in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the PDIs.

(b) Issue/instrument specific regulations:

The PDIs are governed by and will be construed in accordance with the Indian law. The Company, the PDIs and Company's obligations under the PDIs shall, at all times, be subject to the provisions of the Act, regulations/guidelines/directions of RBI, SEBI (including the SEBI Debt Listing Regulations) and Stock Exchanges and other Applicable Laws and regulations from time to time. The PDI Holders, by purchasing the PDIs, agree that the courts in the city of Mumbai, Maharashtra shall have exclusive jurisdiction with respect to any matters relating to the PDIs.

Further, the said PDIs shall be subject to the terms and conditions as contained in the Application Form, Disclosure Document, Supplemental Disclosure Document, Trust Deed, Trustee Agreement and other Transaction Documents.

(c) Application Process:**How to Apply**

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

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

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

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

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

The Application Form will be made available along with the Shelf Disclosure Document.

Who can apply:

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

through a communication by the Company and only such recipients are eligible to apply for the PDIs. The categories of investors eligible to subscribe to the PDIs in this Issue, when addressed directly, are:

- a. Banks;
- b. Financial Institutions;
- c. Non-Banking Financial Companies;
- d. Companies;
- e. Mutual Funds;
- f. Insurance Companies;
- g. Provident Funds, Gratuity, Superannuation and Pension Funds, subject to their investment guidelines; and
- h. Individuals
- i. Foreign Portfolio Investors (FPIs)
- j. Qualified Foreign Investors (QFIs)
- k. Hindu Undivided Family (HUF)
- l. Any other eligible investor authorized to invest in the PDIs.

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

It is to be noted that the Issuer shall obtain prior approval of RBI, on case by case basis, for investments by FPIs, QFIs in PDIs to be issued by the Issuer.

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

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

The PDIs are and have been placed on a private placement basis.

Submission of Documents

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

Investors should submit the following documents, wherever applicable:

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

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

Submission of completed Application Form

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

Applications under Power of Attorney / Relevant Authority

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

PAN / GIR No:

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

Refund

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

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

Application by Mutual Funds

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

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

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

Right to Accept or Reject Applications

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

Fictitious Applications

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

Depository Arrangement

The Company has appointed Link Intime India Pvt. Ltd. as Registrar and Transfer Agents for the PDI issuance. HDB Financial Services Limited has entered into depository arrangements with NSDL and CDSL.

PDIs in Dematerialised mode

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

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

Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of PDIs in Electronic/Dematerialised Form".
- (c) PDIs allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the PDIs, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of PDIs in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of PDIs, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those PDI Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those PDIs for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits;

until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

Allotment Intimation

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

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

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

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

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

A. Documents material to the Issue

1. Certified true copy of Memorandum and Articles of Association of the Company as amended from time to time.
2. Copy of the Application made to the BSE for grant of in-principle approval for listing of PDIs.
3. Certified true copy of resolution of the Board of Directors passed at its meeting held on April 16, 2018 approving, *inter-alia*, the issue of Non-Convertible PDIs aggregating upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores only)
4. Certified true copy of resolution passed by the shareholders of the Company at the Annual General Meeting held on June 22, 2018, authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms and conditions as the Board may think fit for amounts up to Rs.600,00,00,00,000/- (Rupees Sixty Thousand Crores only) under Section 180(1)(c).
5. Certified true copy of resolution passed by the shareholders of the Company at the Annual General Meeting held on June 22, 2018 authorising the Board of Directors to offer, issue and allot unsecured,

subordinated, listed, rated Perpetual Debt Instruments in the nature of Non-Convertible Debentures, in one or more Series/Tranches, aggregating up to Rs. 500,00,00,000/- (Rupees Five Hundred Crores only), on private placement basis, on such terms and conditions as the Board of Directors of the Company may, from time to time, determine in the best interests of the Company.

6. Credit Rating Rationale dated September 12, 2017 and July 02, 2018 from CARE Limited and CRISIL Limited respectively, assigning the credit rating to the PDIs.
7. Certified true copy of tripartite agreement dated July 23, 2012 between the Company, Link Intime India Pvt. Ltd. (Registrar & Transfer Agent) and CDSL
8. Certified true copy of the Tri-partite agreement dated July 23, 2012 between the Company, Link Intime India Pvt. Ltd. (Registrar & Transfer Agent) and NSDL.
9. Consent letter issued by Axis Trustee Services Limited dated August 7, 2017 to act as the Trustee to the Issue inclusion of its name in the form and context in which it appears in this Disclosure Document.
10. Trust Deed dated December 19, 2017 pursuant to which issuances would be made under this Shelf Disclosure Document.

B Material Contracts

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

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

5.20 Issue Details

The Issue

The Company proposes to issue upto 5000 (Five Thousand) Unsecured, Subordinated, Rated, Listed, Perpetual Debt Instruments in the nature of Non-Convertible Debentures, for cash aggregating upto Rs.500,00,00,000/- (Rupees Five Hundred Crores only) on a private placement basis in one or more Tranches/Series.

The Company has pursuant to:-

- (i) the approval of its shareholders in terms of the special resolution passed under 180 (1)(c) of the Companies Act, 2013, pertaining to borrowing of monies upto Rs. 600,00,00,00,000 (Rupees Sixty Thousand Crores only), at the Annual General Meeting held on June 22,2018.
- (ii) the resolution of its Board of Directors passed under section 179(3)(c) of the Companies Act, 2013 dated April 16, 2018 pertaining to powers of the Board to issue PDIs.
- (iii) the special resolution of its Shareholders passed on June 22, 2018, pursuant to the provisions of section 71 read with section 42 and all other applicable provisions of the Companies Act, 2013, read with Rules framed thereunder, pertaining to approval of members on offer of private placement.

approved the issue and allotment of unsecured, subordinated, rated, listed, perpetual debt instruments in the nature non-convertible debentures of the value aggregating to not more than Rs. 500,00,00,000/- (Rupees Five Hundred Crores only). The present issue of PDIs in terms of this Shelf Disclosure Document is within the overall powers of the Board as per the above resolution.

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

Private Placement of Unsecured, Subordinated, Rated, Listed, Perpetual Debt Instruments in the nature of Non-Convertible Debentures ("PDIs") for cash aggregating upto Rs.500,00,00,000/- (Rupees Five Hundred Crores only) to be issued in one or more Tranches/Series:

| | |
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| Security Name | As per the relevant Supplemental DD. |
| Issuer | HDB Financial Services Limited |
| Type of Instrument | Unsecured, Subordinated, Rated, Listed, Redeemable, Non-convertible Perpetual Debt Instruments in the nature of Debentures (" PDIs ") |
| Nature of Instrument | Unsecured |
| Seniority | The claims of the investor in the PDIs shall be: a) Superior to the claims of investors in Equity Shares of the Company; and b) Subordinated to the claims of all other creditors of the Company (but pari passu inter se the holders of the PDIs). |
| Mode of Issue | Private placement |
| Eligible Investors | Please refer paragraph " Who can apply " of this Shelf Disclosure Document. |
| Listing | The PDIs are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the PDIs to be issued and allotted in terms of this DD vide its letter dated July 31, 2018. In case of delay in listing of the PDIs beyond 20 (Twenty) days from the deemed date of allotment, the Company will pay penal interest, of 1 % (One percent) p.a. over the Interest/Coupon Rate/implicit yield from the expiry of 30 (Thirty) days from the deemed date of allotment till the listing of such PDIs, to the investor. |
| Rating of the Instrument | Credit Analysis & Research Limited has assigned a "CARE AAA/Stable" (pronounced "CARE Triple A with stable outlook") and CRISIL Limited has assigned a "CRISIL AAA/Stable" (pronounced "CRISIL Triple A with stable outlook), to this long term PDI issue programme of upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) of the Company. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such |

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| | instruments carry very low credit risk. |
| Issue Size | The aggregate size of the Issue program is for Rs. 500,00,00,000/- (Rupees Five Hundred Crores only), which Issue shall comprise of one or more Tranches/Series of PDIs. |
| Option to retain oversubscription (Amount) | As per the relevant Supplemental DD |
| Objects of the Issue | As per the relevant Supplemental DD |
| Details of the utilization of the Proceeds | As per the relevant Supplemental DD |
| Interest/Coupon Rate | As per the relevant Supplemental DD |
| Step Up/Step Down Coupon Rate | As per the relevant Supplemental DD |
| Step-up Option | As per the relevant Supplemental DD |
| Lock-in clause | As per the relevant Supplemental DD |
| Coupon Payment Frequency | As per the relevant Supplemental DD |
| Coupon Payment Dates | As per the relevant Supplemental DD |
| Coupon Type | As per the relevant Supplemental DD |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.). | As per the relevant Supplemental DD |
| Day Count Basis | Actual/ Actual |
| Interest on Application Money | As per the relevant Supplemental DD |
| Default Interest Rate | In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% (Two percent) p.a. over the applicable Coupon Rate will be payable by the Company from the date of the occurrence of the default until the default is cured or the PDIs are redeemed pursuant to such default, as applicable. |
| Tenor | Perpetual |
| Redemption Date | N.A The outstanding principal amount of the PDIs, together with accrued but unpaid coupon and additional interest, if any, may be redeemed by the Company only on a Call Option Date and by exercising Call Option (if there is any), subject however to the prior approval in writing of the RBI. The PDIs will not carry any obligation, for Coupon or otherwise, after redemption has occurred and all amounts due have been paid. In the event that the Company is required to redeem the outstanding principal amount of the PDIs in full or in part, or pay any monies in respect thereof including accrued Coupon, before the Call Option Date, due to change in Applicable Laws or under the terms of the Trust Deed |

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| | including on the occurrence of an Event of Default, the Company shall ensure that it shall obtain all requisite approvals, if any, of the RBI or any other applicable authorities and such redemption and payment shall be subject to receipt of such approvals, as applicable. |
| Redemption Amount | N.A |
| Redemption Premium / Discount | N.A |
| Issue Price | As per the relevant Supplemental DD |
| Discount at which security is issued and the effective yield as a result of such discount. | N.A |
| Put Option Date | N.A |
| Put Option Price | N.A |
| Call Option Date | As per the relevant Supplemental DD |
| Call Option Price | As per the relevant Supplemental DD |
| Put Notification Time | N.A |
| Call Notification Time | <p>In the event the Issuer is desirous of exercising the Call Option (if any), the Company shall provide written notice to the Trustee in relation to exercise of the Call Option at least 15 (fifteen) calendar days prior to the Call Option Date. Prior to the issue of such notice, the Issuer shall have obtained the approval in writing of the RBI for the exercise of such call option.</p> <p>Upon issuance of the notice, the Issuer shall compulsorily redeem the PDIs (or part thereof) as identified in the notice and as may have been approved by RBI on the relevant Call Option Date by making payment to the relevant PDI Holders, the outstanding principal amount in respect of the PDIs (or part thereof as identified in the notice) and accrued Coupon in relation thereto.</p> |
| Rollover Option | As per the relevant Supplemental DD |
| Face Value | As set out in the Supplemental DD |
| Minimum Application and in multiples of __ Debt securities thereafter | 10 PDIs and in multiples of 1 PDIs thereafter (As per revised EBP guidelines issued by BSE Limited on April 24, 2018 vide notice no. 20180424-45) |
| Issue Timing | <p>Tranche/Series Opening Date : As per the relevant Supplemental DD</p> <p>Tranche/Series Closing Date : As per the relevant Supplemental DD</p> <p>Pay-in Date : As per the relevant Supplemental DD</p> <p>Deemed Date of Allotment : As per the relevant Supplemental DD</p> <p>Also refer Note 6 herein below</p> |
| Issuance mode of the Instrument | Demat only |
| Trading mode of the | Demat only |

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| Instrument | |
| Settlement mode of the Instrument | NEFT / RTGS |
| Depository(ies) | NSDL / CDSL |
| Business Day | Any day of the week on which the Money Market is functioning in Mumbai, excluding: i. non-working Saturdays, Sundays ii. Any day which is a public holiday for the purpose of section 25 of the Negotiable Instruments Act, 1881 (26 of 1881). iii. any other day on which banks are closed for customer business in Mumbai. |
| Business Day Convention | In case any of the Due Date(s), as defined above or elsewhere in this DD or in any Supplemental DD, falls on a non Business Day, the next Business Day shall be considered as the effective date for the purpose of Coupon/interest payment and the previous Business Day shall be considered as the effective date for the purpose of any principal payment. However, in case any such payment falls on a holiday, the amount of that payment and the amounts and dates of all future payments shall remain as originally stipulated at the time of issuing the security. |
| Record Date | 15 (Fifteen) days prior to any Due Date |
| Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security) and Ranking of Security. | N.A |
| Transaction Documents | Disclosure Document, Supplemental Disclosure Document, Trust Deed, Trustee Agreement, Private Placement Offer Letter and any other document that may be designated by the Trustee as a Transaction Document. |
| Conditions Precedent to Disbursement | As per the relevant Supplemental DD. |
| Condition Subsequent to Disbursement | As per the relevant Supplemental DD. |
| Events of Default | Please refer Note 7. As further provided if any, read with the relevant Trust Deed |
| Provisions related to Cross Default Clause | As per the relevant Trust Deed |

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| Role and Responsibilities of the Trustee | To oversee and monitor the overall transaction for and on behalf of the PDI Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents. |
| Illustration of Bond Cashflows | To be provided as per the relevant Supplemental DD |
| Governing Law and Jurisdiction | The PDIs are governed by and will be construed in accordance with the Indian Law. The PDIs and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts and tribunals in Mumbai, Maharashtra. |

Note 1. Coupon on coupon bearing PDIs:a. Coupon Rate

The Coupon Rate may be fixed or floating. The details as to interest for each Tranche/Series shall be specified in the relevant Supplemental DD(s) issued in respect of such Tranche/Series. Any interest payable on the PDIs may be subject to deduction at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, for which a certificate will be issued by the Company.

b. Computation of Coupon

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

c. Payment of Coupon

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

Upon the occurrence and during the continuance of any of the following events and to the extent restricted from doing so in accordance with extant RBI directions, guidelines or regulations, the Company shall not make payment of the Coupon accrued during such period:

- a. If its capital to risk assets ratio (CRAR) is below the minimum regulatory requirement prescribed by RBI; or
- b. payment of the Coupon would result in the Company's failure to maintain CRAR prescribed by RBI.

The accrued Coupon shall be payable by the Coupon, with the prior approval of the RBI, only when the impact of payment of such Coupon results in net loss or increase in net loss but provided that the CRAR of the Company remains above regulatory norms prescribed by RBI. Further, all instances of deferred payment of accrued Coupon as above shall be notified by the Company to the Regional Office of the Department of Non-Banking Supervision of the RBI in whose jurisdiction the Company is registered.

The Coupon shall not be cumulative except in the circumstance mentioned above.

Note 2. Step up Coupon Rate

The PDIs may have a step-up option of [100] bps, which may be exercised only once during the tenor of the PDIs and in any event after the expiry of 10 years from the Deemed Date of Allotment. In effect, the Coupon Rate may be stepped up by [100] bps for subsequent years from the expiry of 10 years from the Deemed Date of Allotment till the redemption of the PDIs.

Note 3. Call Option

The Issuer may issue PDIs with a call option subject to the following conditions:-

- (a) That the instrument has run for a minimum period of ten years from the date of issue; and
- (b) Call option shall be exercised by the Company only with the prior approval of RBI.

Note 4. Interest on Application Money:

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

Note 5. Redemption:

Unless previously redeemed (on occurrence of an Event of Default pursuant to approval of RBI in this regard) or purchased and cancelled, the PDIs of each Tranche/Series shall be redeemed at such price, at Call Option Date, if any, as mentioned in the respective Supplemental DD.

Note 6. Deemed Date of Allotment:

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

Note 7. Events of Default:

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

- i. Default is committed in payment of the any amount payable in respect of PDIs on the Due Date(s) and is not rectified by the Company in 7 (Seven) days;
- ii. Save and except sub-clause (i) above, default is committed in the performance or observance of any covenant, condition or provision contained in the Trust Deed and/or the Financial Covenants and Conditions and such default has continued for a period of 30 (Thirty) Business Days from the

date of receipt by the Company of a notice from the Trustee in relation thereto or the Company having obtained actual knowledge thereof, whichever is earlier, except where such default is in the opinion of the Trustee certify incapable of remedy and no notice shall be given by the Trustee in such a case;

- iii. The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved;
- iv. The Company is unable to or has admitted in writing its inability to pay its debts as they mature or suspends making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling/restructuring any of its Financial Indebtedness;
- v. Any expropriation, attachment, sequestration, distress or execution (or analogous process) is levied, enforced upon or issued or otherwise affects a substantial part of the Assets or property of the Company and is not discharged within 30 (Thirty) calendar days or as given in the said order;
- vi. Trust Deed or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company;
- vii. A receiver or a liquidator has been appointed or allowed to be appointed for all or any part of the undertaking of the Company;
- viii. The Company ceases or threatens in writing to cease to carry on its business or gives notice of its intention to do so;
- ix. If any material breach of terms of the relevant Disclosure Document pertaining to any Series/Tranche of PDIs or any breach of the covenants of the Trust Deed is committed by the Company.
- x. It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable;
- xi. The Company repudiates any of the Transaction Documents, evidences an intention to repudiate any of the Transaction Documents.
- xii. There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business days.
- xiii. Such other Events of Default as set out in the Supplemental DD.

Note 8. Consequences of Events of Default

On and at any time after the occurrence of an Event of Default, unless such Event of Default at the request of the Company is expressly waived by the Trustee acting on the instructions of the PDI Holder(s), on expiry of the cure period provided to the Company, the Trustee may by a notice in writing to the Company (a) declare all or part of the obligations of the Company in respect of such Series/Tranches in relation to which the Event of Default has occurred, under this Trust Deed or under any of other Transaction Documents be immediately due and payable, whereupon they shall become immediately due and payable; (b) accelerate the redemption of the PDIs constituting the Series/Tranches in relation to which the Event of Default has occurred; and/or (c) exercise any other right that the Trustee and / or PDI Holder(s) may have under the

Transaction Documents or under Applicable Law. However, any payments to be made by the Company pursuant to this clause shall be made only with prior approval of the RBI, if required as per the extant RBI directions, guidelines and regulations in respect of PDIs and subordinated debt.

Note 9. Payment on Redemption

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

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

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

SECTION - VI DISCLOSURES PERTAINING TO WILFUL DEFAULT

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

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

SECTION- VII OTHER INFORMATION AND ISSUE PROCEDURE

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

7.1 Mode of Transfer/Transmission of PDIs

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

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

7.2 PDIs held in Dematerialised Form

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

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

7.3 Trustee for the PDI Holder(s)

The Issuer has appointed Axis Trustee Services Limited to act as trustee for the PDI Holder(s). The Issuer and the Trustee intend to enter into the Trustee Agreement and the Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Trustee and the Issuer. The PDI Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the PDIs as the Trustee may in its absolute discretion deem necessary or require to be done in the interest of the PDI Holder(s). Any payment made by the Company to the Trustee on behalf of the PDI Holder(s) shall discharge the Issuer *pro tanto* to the PDI Holder(s). The Trustee will protect the interest of the PDI Holder(s) in regard to the payment of interest on PDIs and the Trustee will take necessary action, subject to and in accordance with the Trustee Agreement and the Trust Deed, at the cost of the Issuer. No PDI Holder shall be entitled to proceed directly against the Company unless the Trustee, having become so bound to proceed, consistently fails to do so. The Trustee Agreement and the Trust Deed shall more specifically set out the rights and remedies of the PDI Holder(s) and the manner of enforcement thereof.

7.4 Sharing of Information

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

7.5 Deemed Date of Allotment

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

7.6 PDI Holder not a Shareholder

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

7.7 Tax Deduction at Source (TDS):

- (a) Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, with effect from June 1,

2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the PDIs shall be issued in dematerialised mode and shall be listed on the WDM segment of BSE, no tax will be deductible at source on the payment/credit of interest/implicit yield on PDIs held by any person resident in India. In the event of rematerialisation of the PDIs, or PDIs held by person resident outside India or a change in Applicable Law governing the taxation of the PDIs, the following provisions shall apply.

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

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

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

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

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

The primary objective of these PDIs is to raise Tier I capital for the Company as per the applicable guidelines of RBI.s

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

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

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

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

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

(a) **Purchase and Resale of PDIs:**

The Company may, subject to Applicable Law at any time and from time to time, at its sole and absolute discretion purchase some or all of the PDIs held by the PDI Holders at any time prior to the specified date(s) call as specified in the relevant Supplemental DD. The PDIs so purchased may, at the option of the Company, be cancelled, consolidated held or resold in accordance with the provisions of the Applicable Laws.

(b) **Reissue of PDIs:**

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

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

7.10 Modification of Rights:

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

7.11 Variation of PDI Holder(s) rights

The rights, privileges and conditions attached to the PDI(s) and this Shelf Disclosure Document and the relevant Supplemental DD(s) may be varied, modified or abrogated in accordance with the Articles of Association of the Company and the Act and with the consent of the Super Majority PDI

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

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

7.12 Notices:

The Company agrees to send notice of all meetings of the PDI Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. The notices, communications and writings to the PDI Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post or through recognized overnight courier service or by hand delivery or by email or by facsimile to the sole / first allottee or sole/first registered PDI Holder as the case may be at its address registered with the Company. Provided however, that in case of a notice delivered by facsimile or e-mail, the Company shall also deliver a copy of the same by hand, registered mail/speed post (postage prepaid) or through a recognized overnight courier service.

All notices, communications and writings to be given by the PDI Holder(s) shall be sent by registered post or through recognized courier service or by hand delivery or by email or by facsimile to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same. Provided however, that in case of a notice delivered by facsimile or e-mail, the PDI Holder shall also deliver a copy of the same by hand, registered mail/speed post (postage prepaid) or through a recognized overnight courier service.

7.13 Splitting and Consolidation:

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

7.14 Transfers:

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

7.15 Letters of Allotment

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

7.16 Record Date

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

7.17 Succession:

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

7.18 Effect of Holidays

Should any of the Due date(s), fall on a non-Business Day, the next Business Day shall be considered as the effective date for the purpose of coupon/interest payment and the previous Business Day shall be considered as the effective date for the purpose of payment of redemption proceeds. However, in case any such payment falls on a holiday, the amount of that payment and the amounts and dates of all future payments shall remain as originally stipulated at the time of issuing the security

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

7.19 PDIs to Rank *Pari Passu*

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

SECTION - VIII DECLARATION

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

For HDB Financial Services Limited



H. Parekh

Authorised Signatory

Name : Haren Parekh
Title : Chief Financial Officer
Date : 31/07/2018

ANNEXURES
A - APPLICATION FORM

Date: [●]

Application Form No: [●]

By: [●]

The Compliance Officer
HDB Financial Services Limited

Dear Sir,

Having read and understood the contents of the Shelf Disclosure Documents, Supplemental Disclosure Document and the Private Placement Offer Letter dated [●], 2018 and the term sheet included therein, we apply for allotment of the PDIs to us. The amount payable on application as shown below is remitted herewith. On allotment, please place our name(s) on the Register of PDI Holder(s). We bind ourselves to the terms and conditions as contained in the Information Document / Disclosure Document.

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

| | |
|----------------------------------|-----|
| PDI Series | [●] |
| No. of PDIs applied (in figures) | [●] |
| No. of PDIs applied (in words) | [●] |
| Amount (Rs. in figures) | [●] |
| Amount (Rs. in words) | [●] |
| NEFT/RTGS Details | [●] |
| Date | [●] |
| Face value (per PDI) | [●] |

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

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

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

| Name of Authorised Signatory | Designation | Signature |
|------------------------------|-------------|-----------|
| [•] | [•] | [•] |
| | | |
| | | |

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

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

* Please enclose RTGS along with this form.

We hereby confirm that the payment(s) made towards subscription of the Unsecured, Subordinated, Rated, Listed, Perpetual Debt Instruments in the nature of Non-Convertible Debentures under Series [•] is made from our bank account(s). We understand that the Coupon/principal will be paid to the bank accounts of the beneficiaries as per the list and details of the beneficiaries provided by the Depository i.e. NSDL and CDSL, as on the record date.

Depository Details

| | | | |
|---------|-----|-----------|-----|
| DP Name | [•] | | |
| DP ID | [•] | Client ID | [•] |

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

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

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

- Constitution Documents: Certificate of Incorporation, Certificate of commencement of Business, Memorandum & Articles of Association, Regd. Trust Deed in case of Trust, SEBI Registration Certificate in case of Mutual Fund
- ID Proofs: Certified Copy of PAN Card, Demat Client Master Report

- Address Proof: Form 18 (under Companies Act, 1956) or INC-22 (under Companies Act, 2013) filled with ROC or Certified copy of latest utility bills
- Authorizing docs: Power of Attorney / Board Resolution with specimen signatures certified by the Company Secretary

For [●]

Authorised Signatory(ies)

(Tear here)

ACKNOWLEDGEMENT SLIP

Application No: [●]

Date: [●]

| PDI Series | Series [●] |
|----------------------------------|------------|
| No. of PDIs applied (in figures) | [●] |
| No. of PDIs applied (in words) | [●] |
| Amount (Rs. in figures) | [●] |
| Amount (Rs. in words) | [●] |
| NEFT/RTGS | [●] |

For all further correspondence, please contact the Compliance Officer.

INSTRUCTIONS

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

Beneficiary Name : INDIAN CLEARING CORPORATION LTD

Bank Name : ICICI Bank Ltd.

Account No. : ICCLEB

IFSC Code : ICIC0000106

- Cheques, cash, money orders, postal orders and stock invest will NOT be accepted.
- As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, one is requested to mention the full particulars of the bank account, as specified in the application form.
- Interest warrants will then be made out in favour of the bank for credit to one's account. In case the full particulars are not given, cheques will be issued in the name of the applicant at their own risk.
- One should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR

number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided.

- The application would be accepted as per the terms of the issue outlined in the Information Document / Disclosure Document.
- The payment(s) towards subscription of the securities shall be made from the bank account(s) of the applicants.

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

B – CREDIT RATING RATIONALE

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

C - CONSENT LETTER OF THE TRUSTEE

FOR PRIVATE CIRCULATION ONLY

(For the Addressee only)

D – ANNUAL REPORT OF THE COMPANY FOR FY 2017-18, 2016-17 and 2015-16

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

Series [●]

**SUPPLEMENTAL DISCLOSURE DOCUMENT FOR ISSUE OF
PERPETUAL DEBT INSTRUMENTS IN THE NATURE NON-
CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS**

DATE: [●]

E - FORMAT OF SUPPLEMENTAL DD**HDB FINANCIAL SERVICES LIMITED
(CIN: U65993GJ2007PLC051028)**

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

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

Corporate Office: Ground Floor, Zenith House, Keshavrao Khadye Marg, Opp. Race Course, Mahalaxmi, Mumbai - 400034

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

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

Private Placement of upto [●] (●) Unsecured, Subordinated, Rated, Listed, Perpetual Debt Instruments in the nature of Non-Convertible Debentures (“Series [●] PDIs”) of the face value of Rs. [10,00,000/- (Rupees Ten Lakh only)] each for cash aggregating upto Rs. [●]/- (Rupees (●) Crore only) issued under the shelf disclosure document dated [●], 2018 (“Shelf Disclosure Document” or “Shelf DD”) as amended / supplemented from time to time.

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

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

All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Shelf DD. This Supplemental DD is dated [●], 2018.

SUMMARY TERM SHEET

| | |
|-----------------------------------|--|
| Security Name | [●] |
| Issuer | HDB Financial Services Limited |
| Arranger | [●] |
| Type of Instrument | Unsecured, Subordinated, Rated, Listed, Perpetual Debt Instruments in the nature of Non-Convertible Debentures ("PDIs") |
| Nature of Instrument | Unsecured |
| Seniority | i. Superior to the claims of investors in Equity Shares of the Company; and ii. Subordinated to the claims of all other creditors of the Company. |
| Mode of Issue | Private placement |
| Eligible Investors | Please refer paragraph "Who can apply" of the Shelf Disclosure Document. [●] Any other investor permitted to invest in PDIs of Indian body corporate. |
| Listing | The Series [●] PDIs are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the Series [●] PDIs to be issued and allotted in terms of the DD vide its letter dated [●]. The Company shall forward the listing application to the BSE Limited alongwith the applicable disclosures within 15 (Fifteen) days from the deemed date of allotment of Series [●] PDIs. In case of delay in listing of the Series [●] PDIs beyond 20 (Twenty) days from the deemed date of allotment, the Company will pay penal interest, of 1 (one percent) % p.a. over the interest/coupon rate/implicit yield from the expiry of 30 (thirty) days from the deemed date of allotment till the listing of such Series [●] PDIs, to the investor. |
| Rating of the Instrument | [●] |
| Issue Size | The aggregate size of the Issue is Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only), which Issue shall comprise of one or more Tranches. |
| Tranche Size | Rs [●/-] (Rupees (●) Only) |
| Option to retain oversubscription | [●] |
| Objects of the Issue | The Company has filed the Shelf DD for issuance of PDIs on private placement basis for an amount not exceeding Rs.500,00,00,000/- (Rupees Five Hundred Crores Only) to be issued in one or more Tranches/Series from time to time. The funds raised through the Issue will be utilized as per the section "Utilisation of Issue Proceeds" stipulated in the Shelf DD. |

| | |
|---|--|
| Details of the utilization of the Proceeds | The proceeds of the Issue would be utilised by the Company, for regular business activities including its financing / lending activities, working capital and general corporate purposes in compliance with the provisions of Applicable Laws. |
| Interest/Coupon Rate | [●] |
| Step Up Coupon Rate | [●] bps |
| Step-up Option | [●] |
| Lock-in clause | [●] |
| Coupon Payment Frequency | [●] |
| Coupon Payment Dates | [●] |
| Coupon Type | [Fixed/ Variable] |
| Coupon Reset Process | [●] |
| Day Count Basis | Actual/ Actual Also refer Shelf Disclosure Document. |
| Interest on Application Money | [●]% ([●]Percent) per annum Also refer Shelf Disclosure Document. |
| Default Interest Rate | 2% (Two Percent) per annum payable annually over and above the Coupon Rate from the date of the occurrence of the default until the default is cured or the Series [●] PDIs are redeemed pursuant to such default, as applicable |
| Tenor | Perpetual |
| Issue Price | Rs. 10,00,000/- (Rs. Ten Lakh only) per PDIs |
| Call Option Exercise Date | A date falling on the day immediately succeeding the expiry of a period of 10 (Ten) Years from the deemed date of allotment and any day thereafter, unless such a day is not a Business Day, in which case the Call Option Exercise Date will be the preceding Business Day. |
| Call Option Price | [●] |
| Call Notification Time | [●] |
| Face Value | [Rs. 10,00,000/- (Rs. Ten Lakh only) per PDI] |
| Minimum Application and in multiples of __ Debt securities thereafter | Minimum 10 PDIs and in multiples of 1 thereafter (As per revised EBP guidelines issued by BSE Limited on April 24, 2018 vide notice no. 20180424-45) |
| Tranche Issue Timing | |
| 1. Tranche Issue Opening Date | [●] |
| 2. Tranche Issue Closing Date | [●] |
| 3. Tranche Pay-in Date | [●] |
| 4. Tranche Deemed Date of Allotment | [●] |
| Issuance mode of the Instrument | Demat only |

| | |
|--|---|
| Trading mode of the Instrument | Demat only |
| Settlement mode of the Instrument | NEFT / RTGS Also refer Disclosure Document. |
| Depository(ies) | NSDL / CDSL |
| Business Day Convention | Should any of the Due date(s), fall on a non-Business Day, the next Business Day shall be considered as the effective date for the purpose of Coupon payment and the previous Business Day shall be considered as the effective date for the purpose of payment of redemption proceeds. However, in case any such payment falls on a holiday, the amount of that payment and the amounts and dates of all future payments shall remain as originally stipulated at the time of issuing the security. Also refer to Shelf Disclosure Document. |
| Record Date | 15 (Fifteen) calendar days prior to any Due Date |
| Transaction Documents | Shelf Disclosure Document, Supplemental Disclosure Document, Trust Deed, Trustee Agreement and any other document that may be designated by the Trustee as a Transaction Document |
| Conditions Precedent to Disbursement | [●] |
| Condition Subsequent to Disbursement | [●] |
| Events of Default | As set out in the Trust Deed |
| Provisions related to Cross Default Clause | As set out in the Trust Deed |
| Covenants | As is customary for a transaction of this nature and as further provided for in the Transaction Documents. |
| Role and Responsibilities of Trustee | To oversee and monitor the overall transaction for and on behalf of the PDI Holder(s) as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents. |
| Illustration of Bond Cashflows | As per Annexure I to this Supplemental DD |
| Governing Law and Jurisdiction | The Series [●] PDIs are governed by and will be construed in accordance with the Indian Law. The Series [●] PDI Holders, by purchasing the Series [●] PDIs, agree that the courts in Mumbai, Maharashtra shall have exclusive jurisdiction with respect to any matters relating to the Series [●] PDIs. |

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

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

| Disclosure of cash flows (pursuant to SEBI Circular no. CIR/IMD/DF/18/2013 dated 29th October 2013) | | | | |
|---|------|--------------------------------|------------------------------|---|
| Company | | HDB Financial Services Limited | | |
| Face Value (per security) | | [●] | | |
| Issue Date/Date of Allotment | | [●] | | |
| Redemption | | [●] | | |
| Coupon Rate | | [●] | | |
| Frequency of the Interest Payment with specified dates | | [●] | | |
| Day Count Convention | | Actual / Actual | | |
| Scenario 1 : Call Option Exercised | | | | |
| Cash Flows | Date | Day | No. of Days in Coupon Period | Amount in Rupees per debenture of Rs.10 lakhs |
| 1 st Coupon Payment | [●] | [●] | [●] | [●] |
| 2 nd Coupon Payment | [●] | [●] | [●] | [●] |
| 3 rd Coupon Payment | [●] | [●] | [●] | [●] |
| 4 th Coupon Payment | [●] | [●] | [●] | [●] |
| 5 th Coupon Payment | [●] | [●] | [●] | [●] |
| 6 th Coupon Payment | [●] | [●] | [●] | [●] |
| 7 th Coupon Payment | [●] | [●] | [●] | [●] |
| 8 th Coupon Payment | [●] | [●] | [●] | [●] |
| 9 th Coupon Payment | [●] | [●] | [●] | [●] |
| 10 th Coupon Payment | [●] | [●] | [●] | [●] |
| Principal Repayment | [●] | [●] | [●] | [●] |
| Scenario 2: Call Not Exercised | | | | |

| Cash Flows | Date | Day | No. of days in Coupon Period | Amount (in Rupees) |
|--------------|----------------------------|-----|---|--------------------|
| Issue amount | | | | |
| | [●] of every calendar year | [●] | 365 366 (in the case of a leap year) | [●] |
| Principal | | | | [●] |
| Total | | | | [●] |

MODE OF PAYMENT

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

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

For HDB Financial Services Limited

Authorised Signatory

Name: [●]

Title: [●]

Date: [●]