

certified true copy

KANDOI AKANKSHA

**HDFC CREDILA FINANCIAL SERVICES LIMITED**

formerly known as HDFC Credila Financial Services Private Limited

(A subsidiary of Housing Development Finance Corporation Ltd)

CIN: U67190MH2006PLC159411

PAN: AACCC8789P

RBI Registration Number: N-13.01857

Date of Incorporation: February 1, 2006

Place of Incorporation: Mumbai

Registered Office & Corporate Office: B 301, Citi Point, Next to Kohinoor Continental,

Andheri - Kurla Road, Andheri (East), Mumbai 400 059

Telephone No: +91-22-2826 6636; Fax: +91-22-2471 2447

Website: www.hdfccredila.comEmail: investor@hdfccredila.com

Our Company was originally incorporated as 'Credila Financial Services Private Limited on February 01, 2006 at Mumbai, Maharashtra, India as a private limited company under the Companies Act, 1956, and was granted a certificate of incorporation by Registrar of Companies, Mumbai ("RoC"). On February 01, 2006, the RBI granted a certificate of registration bearing registration no. N-13.01857 to our Company, for the registration of our Company as a non-deposit accepting non-banking financial company under Section 45IA of the Reserve Bank of India Act, 1934. Subsequently, the name of our Company was changed to 'HDFC Credila Financial Services Private Limited' and a fresh certificate of incorporation, dated February 19, 2017 was issued by the RoC, post which the RBI granted a certificate of registration dated March 09, 2017 reflecting the change of name. The name of our Company was further changed to HDFC Credila Financial Services Limited upon conversion to a public limited company and a fresh certificate of incorporation was issued by the RoC on October 08, 2020.

Company Secretary & Compliance Officer	Akanksha Kandoi; Tel: +91-22- 2825 6636 Email: akanksha@hdfccredila.com
Chief Financial Officer	Manjeet Bijlani; +91-22-5045 3000; Email: manjeetb@hdfccredila.com
Our Promoters	Housing Development Finance Corporation Ltd Contact Person: Ajay Agarwal: 91+ 22 66316293 Email: ajaya@hdfc.com

Issue of 2,000 (Two Thousand) Secured, Rated, Listed, Redeemable, Non-convertible Debentures (Debentures) of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) on a private placement basis (the "Issue")

Information Memorandum for issue of Debentures on a private placement basis on February 1, 2022
<p>This Private Placement Offer Letter is issued in conformity with Companies Act, 2013 In conformity with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Operational Circular for issue and listing of Non-convertible Securities dated December 17, 2021 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from Lime to time, as amended, Form PAS-4 prescribed under Section 42 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended.</p> <p>The Issue shall be open for bidding and subscribed to in accordance with the guidelines issued by SEBI and BSE pertaining to the procedure of Electronic Book Mechanism set out in the terms specified by the Operational Circular, and the related operational guidelines issued by the concerned Electronic Book Provider, as may be amended, clarified or updated from time to time (collectively, "Electronic Book Mechanism Guidelines").</p> <p>The Issuer intends to use the BSE's electronic debt bidding platform for this Issue. The Information Memorandum will be uploaded on the BSE's platform as per the Electronic Book Mechanism Guidelines.</p>

The Debentures would carry coupon of 7.50% (Seven Point Five Zero Percent) per annum, payable annually and will be redeemed at the face value on January 30, 2032

Credit Rating

The proposed issue of Debentures have been rated by CRISIL Limited (“CRISIL”) and CARE Ratings Limited (“CARE”). However, the ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the concerned rating agency and should be evaluated independently of any other ratings.

CRISIL has vide its letters dated August 23, 2021, assigned a rating of “CRISIL AAA” in respect of the Debentures, the rating is revalidated on January 25, 2022. Date of Rating Rational/Press Release of Ratings: August 23, 2021. Please refer to Annexure II of this Information Memorandum for the letter from CRISIL assigning the credit rating above mentioned.

CARE has vide its letters dated August 23, 2021 assigned a rating of “CARE AAA” in respect of the Debentures. the rating is revalidated on January 24, 2022. Date of Rating Rational/Press Release of Ratings: August 25, 2021 Please refer to Annexure II of this Information Memorandum for the letter from CARE assigning the credit rating abovementioned







Issue Schedule

Bidding / Issue Opens on: January 31, 2022 at 10:30 AM
 Bidding / Issue Closing on: January 31, 2022 at 11.30 AM
 Pay-in Date to the Exchange: February 01, 2022
 Pay-out Date to the Issuer: February 01, 2022
 Deemed Date of Allotment: February 01, 2022

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

Listing

The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited (“BSE”).

CREDIT RATING AGENCIES	DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE	ARRANGERS TO THE ISSUE
 CRISIL Limited Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 Contact Person: Ms. Subhasri Narayanan Tel. No.: +91 22 3342 3000 Fax No.: +91 22 3342 3001 Email: crisilratingdesk@crisil.com Website: www.crisil.com  CARE Ratings Limited Address: 4th Floor, Godrej Coliseums, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai – 400 022 Contact Person: Ms. Janet Thomas Tel. No.: +91 22 6754 3456 Fax No.: +91 22 6754 3457 Email: care@careratings.com Website: www.careratings.com	 IDBI Trusteeship Services Ltd IDBI Trusteeship Services Limited. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate Mumbai – 400 001 Tel. No : +91 22 40807001 Fax No : +91 22 22882312 Contact Person: Aditya Kapil E-Mail : adityakapil@idbitrustee.com / itsl@idbitrustee.com Website : www.idbitrustee.com	 Adroit Corporate Services Private Limited. 18/19/20 Jafferbhoy Industrial Estate, Makwana Road, Marol Naka Andheri (East), Mumbai – 400 059 Tel. No : +91 22 28590942 Fax No : +91 22 2850 3748 Contact Person: Sadashiv S Shetty E-Mail : sshetty@adroitcorporate.com Website : www.adroit.com	 Taurus Corporate Advisory Services Limited. 203, Cosmos Court, Opp. IOCL Petrol Pump, S.V.Road, Vile-Parle (w). Mumbai-56 Tel: +91 22 61471100 Fax:+91 22 26104920/25 Contact Person: Prabhanand Padwal Email ID: prabhanand.padwal@taurusgrp.com Website: www.taurusgrp.com  ICICI BANK LTD ICICI Bank Towers, Bandra Kurla Complex, Mumbai 400051 Tel No: + 022-40088980 Fax No: - Contact Person: Sanket Jain e-Mail: merchantbanking@icicibank.com gmgfixedincome@icicibank.com Website: www.icicibank.com

ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

We confirm that that the Issuer or any of its promoters or directors has not been declared as a Wilful Defaulter under the applicable laws

ELIGIBLE INVESTORS

The Disclosure Documents and the content thereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. Subject to applicable law, the categories of investors eligible to subscribe to the Debentures in this issue, when addressed directly, are all QIBs, and any non-QIB Investors specifically mapped by the Issuer On the EBP Platform.

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. Please also refer to the Section 9 of the Information Memorandum.

TABLE OF CONTENTS

SECTION 1	DEFINITIONS AND ABBREVIATIONS	4
SECTION 2	NOTICE TO INVESTORS AND DISCLAIMERS	7
SECTION 3	AUTHORISATION LETTER	12
SECTION 4	RISK FACTORS	13
SECTION 5	FINANCIAL INFORMATION	19
SECTION 6	REGULATORY DISCLOSURES	28
SECTION 7	ASSET LIABILITY MANAGEMENT DISCLOSURES FOR NBFCs	55
SECTION 8	DISCLOSURE REGARDING WILFUL DEFAULTERS	63
SECTION 9	ADDITIONAL DISCLOSURE REQUIRED UNDER FORM PAS 4 TO THE EXTENT APPLICABLE TO ISSUE	64
SECTION 10	OTHER INFORMATION AND APPLICATION PROCESS	65
SECTION 11	DECLARATION	75
ANNEXURE I	TERM SHEET	76
ANNEXURE II	RATING LETTERS & RATING RATIONALES	82
ANNEXURE III	CONSENT LETTER & DUE DILIGENCE CERTIFICATE FROM THE DEBENTURE TRUSTEE	90
ANNEXURE IV	COVENANTS OF DEBENTURE TRUST DEED PROPOSED TO BE ENTERED	96
ANNEXURE V	APPLICATION FORM	130

SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

ALCO	Asset Liability Management Committee of the Company
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
ALM	Asset Liability Management
Application Form	The form used by the recipient of this Information Memorandum and/or the Private Placement Offer Letter, to apply for subscription to the Debentures, which is in the form annexed to this Information Memorandum and marked as Annexure V.
Arranger / Sole Arranger	Taurus Corporate Advisory Services Limited & ICICI Bank Limited
Board/Board of Directors	The Board of Directors of the Issuer and includes any Committee thereof
Business Day	Shall mean a day (other than a public holiday or a Sunday) on which banks are normally open for business in Mumbai.
Capital to Risk-weighted Assets Ratio	The minimum capital adequacy ratio prescribed by Reserve Bank of India for any NBFC-ND-SI, from time to time.
CDSL	Central Depository Services (India) Limited
Deemed Date of Allotment	February 01, 2022
Debenture Trustee	IDBI Trusteeship Services Limited
Debenture Trustee Agreement	Agreement to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and /or CDSL.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, either upon exercise of the Call Option or otherwise in respect of any coupon.
EFT	Electronic Fund Transfer
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
GAAP	Generally Accepted Accounting Principles
Issue	Private Placement of the Debentures.
Issue Opening Date	January 31, 2022 at 10:30 AM

Issue Closing Date	January 31, 2022 at 11:30 AM
Issuer/ Company	HDFC Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Private Limited)
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 75% (Seventy Five per cent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operation of the Issuer; (ii) the ability of the Issuer to perform their obligations under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
N.A.	Not Applicable
NBFC-ND-SI	Shall mean a ‘Systemically Important Non-Deposit taking Non-Banking Financial Company’ as notified by the RBI, from time to time.
NPA	Non-Performing Asset
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Debentures	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten lakhs only) each
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures 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.
Promoters	Housing Development Finance Corporation Limited
RBI	Reserve Bank of India
Rating Agency	CRISIL Limited (“ CRISIL ”) and CARE Ratings Limited (“ CARE ”) Collectively, and individually as a Rating Agency.
Record Date	The date which will be used for determining the Debenture holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent / Registrar	Registrar and Transfer Agent to the Issue, in this case being Adroit Corporate Services Private Limited
ROC	Registrar of Companies
Rs. / INR / Rupees/	The lawful currency of the Republic of India
RTGS	Real Time Gross Settlement
Stage 3 assets	Loans considered as credit-impaired as per the Indian Accounting Standard
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI NCS Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI, as amended from time to time.
TDS	Tax Deducted at Source
The Companies Act/ the Act	Companies Act, 2013, to the extent notified

Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Annexure 1.
WDM	Wholesale Debt Market.
ICCL	Indian Clearing Corporation Limited

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general. The Issuer has mandated Taurus Corporate Advisory Services Limited & ICICI Bank Limited to act as arranger for the Debentures and to distribute either itself and/or through its affiliates this Information Memorandum to identified potential investors.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum/ Disclosure Document to be filed or submitted to the SEBI for its review and/or approval.

This Information Memorandum has been prepared in conformity with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time and applicable RBI Guidelines and Circulars including those governing private placements by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the Eligible Investors (as defined in 10.14) to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Information Memorandum has 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 Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer 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 Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer Letter are adequate and in conformity with the SEBI NCS Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum and/or the Private Placement Offer Letter or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum and/or the Private Placement Offer Letter would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer Letter and the respective contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer Letter are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with this Information Memorandum and/or the Private Placement Offer Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer Letter and all reproductions whether in whole or in part and any other information, statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer Letter 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 Information Memorandum, and/or the Private Placement Offer Letter nor any sale of Debentures made hereafter 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.

This Information Memorandum and/or the Private Placement Offer Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum and/or the Private Placement Offer Letter come are required to inform themselves about and to observe any such restrictions. The Information Memorandum and/or the Private Placement Offer Letter is made available to potential Investors in the Issue on the strict understanding that it is confidential.

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee

the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 13 under the section 'General Risks'."

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects 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 make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI NCS Regulations. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

2.3 DISCLAIMER CLAUSE OF THE ARRANGER

The Issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Information Memorandum and/or the Private Placement Offer Letter. The only role of the Sole Arranger with respect to the Debentures is confined to arranging placement of the Debentures on the basis of this Information Memorandum as prepared by the Issuer. Without limiting the foregoing, the Sole Arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The Issuer is solely responsible for the truth, accuracy and completeness of all the information provided in this Information Memorandum and/or the Private Placement Offer Letter. Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Information Memorandum and/or the Private Placement Offer Letter, nor is the Sole Arranger responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Information Memorandum and/or the Private Placement Offer Letter. The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Information Memorandum and/or the Private Placement Offer Letter. It is to be distinctly understood that the aforesaid use of this Information Memorandum and/or the Private Placement Offer Letter by the Sole Arranger should not in any way be deemed or construed to mean that the Information Memorandum and/or the Private Placement Offer Letter has been prepared, cleared, approved, scrutinized or vetted by the Sole Arranger. Nor should the contents of this Information Memorandum and/or the Private Placement Offer Letter in any manner be deemed to have been warranted, certified or endorsed by the Sole Arranger as to the truth, correctness or completeness thereof. Each

recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Information Memorandum and/or the Private Placement Offer Letter.

The Sole Arranger has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Debenture Holders. Each of the Debenture Holders should conduct such due diligence on the Issuer and the Debentures as it deems appropriate and make its own independent assessment thereof.

Distribution of this Information Memorandum and/or the Private Placement Offer Letter does not constitute a representation or warranty, express or implied by the Sole Arranger that the information and opinions herein will be updated at any time after the date of this Information Memorandum and/or the Private Placement Offer Letter. The Sole Arranger does not undertake to notify any recipient of any information coming to the attention of the Sole Arranger after the date of this Information Memorandum and/or the Private Placement Offer Letter. No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Information Memorandum and/or the Private Placement Offer Letter nor for providing access to any additional information as further information becomes available.

Neither the Sole Arranger nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this Information Memorandum or in any other information or communications made in connection with the Debentures.

The Sole Arranger is acting for the Company in relation to the Issue of the Debentures and not on behalf of the recipients of this Information Memorandum and/or the Private Placement Offer Letter. The receipt of this Information Memorandum and/or the Private Placement Offer Letter by any recipient is not to be constituted as the giving of investment advice by the Sole Arranger to that recipient, nor to constitute such a recipient a customer of the Sole Arranger. The Sole Arranger is not responsible to any other person for providing the protection afforded to the customers of the Sole Arranger or for providing advice in relation to the Debentures.

Each recipient of this Information Memorandum and/or the Private Placement Offer Letter acknowledges that:

- (a) each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- (b) such recipient has not relied on the Sole Arranger in connection with its investigation of the accuracy of such information or its investment decision.

2.4 DISCLAIMER OF THE RESERVE BANK OF INDIA

The Securities have not been recommended by the Reserve Bank of India nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer Company or the securities being issued by the Issuer Company or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the securities offered in terms of this Disclosure Document/Information Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled “Eligible Investors” of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai. This Information Memorandum and/or the Private Placement Offer Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER CLAUSE OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agencies has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agencies 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 Agencies have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 DISCLAIMER CLAUSE OF DEBENTURE TRUSTEE

The Debenture Trustee, “Ipso Facto” does not have the obligation of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the investors for the Debentures.

2.8 FORCE MAJEURE

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

2.9 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

SECTION 3: AUTHORISATION LETTER

Date: January 27, 2022

To,

Taurus Corporate Advisory Services Limited, 03, Cosmos Court, Opp. IOCL Petrol Pump, S. V. Road, Vile-Parle (w). Mumbai - 400 056	ICICI Bank Limited ICICI Bank Towers, Bandra Kurla Complex, Mumbai 400051
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Dear Sirs,

Re: Issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures on a Private Placement basis (“Debentures”)

HDFC Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Private Limited) (the “**Company**” or the “**Issuer**”), refers to the Information Memorandum dated January 27, 2022 (the “**Information Memorandum**”) in connection with the Debentures proposed to be issued by the Issuer.

The Issuer confirms that, as at the date of this letter, the factual information contained in the Information Memorandum is true and accurate and no factual information has been omitted that renders such information contained in the Information Memorandum untrue or inaccurate in any material respect and any financial forecasts and projections contained in any part of the Information Memorandum have been prepared on the basis of recent historical information and assumptions believed by the Issuer to be fair and reasonable. All expressions of opinion, statements and estimates set forth and reflected in the Information Memorandum have been made by the Issuer after due and proper consideration. In addition, the Issuer is not aware of any information not contained in the Information Memorandum, the omission of which would lead to the Information Memorandum being inaccurate, untrue or misleading in any material respect. The Issuer further confirms that it is in compliance and shall comply with all applicable laws and regulations in relation to the proposed issue of the Debentures.

The Issuer authorises the Arranger and/or its affiliates to deliver copies of the Information Memorandum to those specified persons identified by the Company together with the Arranger from whom the Arranger proposes to seek participation in the Debentures. The Issuer agrees to indemnify and hold the Arranger, its affiliates and each of its and their officers, employees, representatives, and agents harmless from and against any and all losses, liabilities, damages, claims, costs or expenses which may be imposed on or incurred by the Arranger or its affiliates, officers, employees, representatives, and agents as a result of any inaccurate, untrue or misleading statement contained in the Information Memorandum or caused by an omission of any material fact which is necessary to make any of the statements contained in the Information Memorandum not misleading.

This letter and all claims arising in connection with it are governed by, and are to be construed in accordance with, Indian law. The Issuer submits to the exclusive jurisdiction of the courts and tribunals at Mumbai for the resolution of any dispute arising in connection with this letter.

Yours faithfully,

For HDFC Credila Financial Services Limited

(formerly known as HDFC Credila Financial Services Private Limited)

ARIJIT SANYAL

Digitally signed by ARIJIT SANYAL
Date: 2022.01.27 15:55:55 +05'30'

Arijit Sanyal

Managing Director & CEO

SECTION 4: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer Letter and reach their own views prior to making any investment decision.

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

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

INTERNAL RISKS

4.1 CREDIT RISK: THE BUSINESS OF LENDING CARRIES THE RISK OF DEFAULT BY BORROWERS.

Any lending business is exposed to the risk of default by its borrowers thereby resulting in non-performing assets (NPAs). Lending for education is the core business of the Company. Since inception there has been a strong emphasis on developing systematic credit appraisal techniques. The Company has a core team, which carefully monitors loan recoveries and ensures that the NPAs are kept to a minimal.

4.2 MARKET RISK: THIS RISK ARISES AS A RESULT OF INTEREST RATE VOLATILITY

Interest rate risk is inherent to the business of any financial institution. The Company endeavours to minimise this risk by predominantly linking interest rates on loans to a base which varies in accordance with movements in market rates. Interest rate, liquidity and foreign exchange risks are monitored and managed through active Asset Liability Management (ALM).

4.3 ALM: THE RISKS THAT ARISE OUT OF MISMATCH OF ASSETS AND LIABILITIES

The Company broadly follows RBI's Guidelines on Liquidity Risk Management Framework. To further monitor market risk management systems, the Board of Directors of the Company has approved an ALM Policy, which inter alia defines the Company's risk philosophy, specifies prudent gaps and tolerance limits and reporting systems. The ALCO apprises the Board periodically on ALM issues.

4.4 OPERATIONAL RISK: THE RISKS THAT ARISE OUT OF SYSTEMIC ISSUES WITHIN AN ORGANISATION

Operational risks are very broad based and intrinsic to any business which may vary from a change in the key management personnel, information technology risks relating to the loan processing system, fraud risks, etc., and which may affect the performance of the Issuer in a number of ways which could result in contingent liabilities, operational hassles, variance in operating costs, etc. The Company has instituted adequate internal control systems commensurate with the nature of its business and size of operations. The Internal Audit function is carried out by independent audit firm. All significant internal audit observations are reported to the Audit Committee of the Company.

4.5 CHARGE OVER THE SECURED ASSETS

The debentures are secured by *pari passu* charge with other existing lenders on the loan receivables of the company's underlying portfolio of loans having minimum asset cover of 1.05 times of the principal outstanding and interest accrued but not paid, to be maintained throughout the tenor of the Debentures.

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

The ability to attract and retain quality talent impacts the successful implementation of growth plans of the Company. 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.

4.7 EMPLOYEE MISCONDUCT

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

4.8 DISCLOSURES WHICH HAVE BEEN MADE AS PER LIMITED REVIEW MUST BE READ WITH THE FOLLOWING DISCLAIMER

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. In such a case, the auditors have not performed an audit and accordingly, the auditors do not express an audit opinion.

4.9 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer with its lenders.

The Company's financing arrangements require it to maintain certain security cover for some of its borrowings. Should there be a breach of any financial or other covenants contained in any of the Company's financing arrangements, the Company may be required to immediately repay its borrowings either in whole or in part, together with any related costs. Under the terms of some of the financing arrangements, the Company may be required to obtain the prior written consent of the concerned lender prior to the Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction or selling, leasing, transferring all or substantial portion of its fixed and other assets; making any change in ownership or control or constitution of the Company, or in the shareholding or management or majority of directors, or in the nature of the business of the Company. This may restrict/delay some of the actions/initiatives that the Company may like to take from time to time.

EXTERNAL RISKS

4.10 REGULATORY CHANGES

The Issuer is subject to changes in Indian laws including the Income Tax laws, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

Similarly, the Issue is also subject to changes in the economic conditions of foreign countries, policies of the foreign governments with respect to Education, visa norms, etc. which would directly impact their borrower's ability to secure a job and thereby repay their dues.

4.11 POLITICAL AND ECONOMIC RISK IN INDIA

Though the Issuer operates only within India and accordingly, all of its revenues are derived from the domestic market, however, there is a considerable impact of global economic factors on the Indian economy in a number of ways. As a result, it is highly dependent on prevailing economic conditions both in India and abroad and its results of operations are significantly affected by various factors both Indian and global influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors or in economies where the Issuer has a relatively higher exposure could adversely impact its performance in that sector or economy. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

Further, even the movement in foreign exchange rates goes on to impact the performance of the Issuer in a number of ways e.g. in case of an adverse movement in foreign exchange where there is a depreciation in the Indian Rupee vis-a-vis the foreign currency, the Issuer observes a surge in disbursements and also in pre-payments or repayments and vice-versa.

4.12 THE SECONDARY MARKET FOR THE DEBENTURES MAY BE ILLIQUID

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if

there is a secondary market for the Debentures, the same may not provide significant liquidity. Potential investors may have to hold the Debentures for an indeterminate period to realize any value.

4.13 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES

The Debentures have no established trading market. The Company cannot assure Debenture Holders that a trading market for their Debentures will ever develop or be maintained. It is not possible to predict if and to what extent a secondary market may develop, or at what price the Debentures will be sold or purchased in the secondary market or whether such market will be liquid or illiquid.

4.14 RISK OF COMPETITION AND MARKET FACTORS

This risk may arise from existing players or new entrants in the business of education finance. The management of the Company believes that the Company, with Housing Development Finance Corporation Limited (HDFC Ltd.'s) support as its parent company can leverage on its experience as a pioneer of retail education finance in India and quality customer service so as to sustain its position in the market. HDFC Ltd.'s parentage and continued support has been instrumental in the Issuer's robust performance and book size till date.

4.15 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors, especially with respect to investment in the Debentures. Potential investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

4.16 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

4.17 GENERAL RISKS

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issue and the Disclosure Document/Information Memorandum and/or the Private Placement Offer Letter, 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 Disclosure Document/Information Memorandum and/or the Private Placement Offer Letter.

RISKS RELATING TO THE DEBENTURES

4.18 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agencies have assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agencies may downgrade the rating

of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

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

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

4.20 SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Trustee may enforce the Security as per the terms of the Trust Deed and other related documents. The investors' recovery in relation to the Debentures will be subject to (i) the market value of the security and (ii) finding a willing buyer for such security at a price sufficient to repay the potential investors' amount outstanding under the Debentures.

4.21 WE ARE NOT REQUIRED TO MAINTAIN ANY DEBENTURE REDEMPTION RESERVE (DRR) FOR THE DEBENTURES ISSUED UNDER THIS DISCLOSURE DOCUMENT/INFORMATION MEMORANDUM.

As per Section 71 of the Companies Act 2013, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company is not required to create DRR.

4.22 REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD.

As of date, the Issuer has not been refused listing of any of its securities during the last 3 (three) years by any of the stock exchanges in India or abroad.

In accordance with Indian law and practice, permissions for listing and trading of the Debentures issued pursuant to this issue will not be granted until the relevant stock exchange approves the listing, which will be available only after an updated documents is accordingly filed with the relevant authorities at the time of such listing. Approval for listing and trading will required all the relevant documents authorising the issuing of Debentures to be submitted. There could be a failure or delay in listing the Debentures on the stock exchange.

4.23 REGULATORY RESTRICTIONS

The instruments for offer are Debentures in the nature of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures. Redemption of the Debentures will be subject to the “Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016” issued by the RBI dated September 01, 2016 read together with “Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016” issued by the RBI dated August 25, 2016 as updated from time to time.

SECTION 5: FINANCIAL INFORMATION

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

Standalone Audited Financial Statements

Balance Sheet as at September 30, 2021(Limited Review), March 31, 2021 (Audited), March 31, 2020 (Audited) & March 31, 2019 (Audited) (Rs. in Lakhs)

Balance Sheet	Half Year Ended	Year Ended	Year Ended	Year Ended
	30-Sep-21	March 31, 2021	March 31, 2020	March 31, 2019
ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	1,052.76	10,741.60	38,139.26	14,295.74
(b) Bank balances other than (a) above	244.56	276.1	141.32	141.61
(c) Derivative financial instruments	2,183.51	1,647.15	4,877.90	-
(d) Trade receivables	312.44	29.56	69.36	27.13
(e) Loans	7,65,617.55	6,23,041.77	6,22,889.93	5,33,981.90
(f) Investments	21,353.64	20,877.90	31,072.99	-
(g) Other financial assets	2,551.73	699.5	260	235.53
Total financial assets	7,93,316.19	6,57,313.58	6,97,450.76	5,48,681.91
2. Non-financial assets				
(a) Current tax assets (net)	87.94	85.22	15.57	60.44
(b) Deferred tax assets (net)	2,047.96	1,698.00	1,711.00	1,193.00
(c) Property, plant and equipment	920.72	837.48	667.62	191.29
(d) Other intangible assets	18.35	25.02	38.14	56.95
(e) Capital work in progress	-	-	-	-
(e) Intangible assets under development	29.72	-	-	-
(f) Other non-financial assets	343.38	345.34	230.74	117.52
Total non-financial assets	3,448.07	2,991.06	2,663.07	1,619.20
Total assets	7,96,764.26	6,60,304.64	7,00,113.83	5,50,301.11

Balance Sheet	Half Year Ended	Year Ended	Year Ended	Year Ended
	30-Sep-21	March 31, 2021	March 31, 2020	March 31, 2019
LIABILITIES AND EQUITY				
LIABILITIES				
1. Financial liabilities				
(a) Derivative financial instruments	4,707.91	5,593.50	2,073.92	-
(b) Payables			-	-
(i) Trade payables			-	-
- Total outstanding dues of micro enterprises and small enterprises	16.03	169.04	4.8	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,025.57	1,315.13	720.7	1,018.39
(ii) Other Payables			-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(c) Debt securities	2,42,662.20	1,85,143.87	2,22,912.41	2,06,348.37
(d) Borrowings (other than debt securities)	3,48,901.40	2,81,373.21	3,00,603.29	2,22,644.38
(e) Subordinated liabilities	60,951.76	60,543.26	62,327.90	47,376.77
(f) Other financial liabilities	11,829.97	10,481.33	11,786.78	8,610.05
Total financial liabilities	6,71,094.84	5,44,619.34	6,00,429.80	4,85,997.96
2. Non-financial liabilities				
(a) Current tax liabilities (net)	438.64	67.31	14.15	264.39
(b) Provisions	491.33	435.4	362.98	288.68
(c) Other non-financial liabilities	706.04	752.97	660.62	703.81
Total non-financial liabilities	1,636.01	1,255.68	1,037.75	1,256.88
Total liabilities	6,72,730.85	5,45,875.02	6,01,467.55	4,87,254.84
EQUITY				
(a) Equity share capital	13,179.82	13,179.82	13,179.82	6,902.08
(b) Other equity	1,10,853.59	1,01,249.80	85,466.46	56,144.19
Total equity	1,24,033.41	1,14,429.62	98,646.28	63,046.27
Total liabilities and equity	7,96,764.26	6,60,304.64	7,00,113.83	5,50,301.11

**Statement of Profit and Loss for the half year / year ended September 30, 2021(Limited Review),
March 31, 2021 (Audited), March 31, 2020 (Audited) & March 31, 2019 (Audited) (Rs. in Lakhs)**

Statement of Profit and Loss	For the Half Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
I. Revenue from operations				
(a) Interest income	36,214.49	69,705.90	70,512.50	59,105.60
(b) Fees and commission income	910.79	879.79	1,141.31	1,102.48
(c) Net gain on fair value changes	(26.46)	760.75	1,004.45	79.05
Total revenue from operations	37,098.82	71,346.54	72,658.26	60,352.43
II. Other income	-	0.01	0.03	0.11
III. Total income (I + II)	37,098.82	71,346.55	72,658.29	60,352.54
II. Expenses				
(a) Finance costs	19,537.90	41,869.15	46,226.89	37,382.77
(b) Impairment on financial instruments (Expected credit loss)	439.49	884.55	2,280.52	270.76
(c) Employee benefit expense	2,277.83	3,543.51	3,093.80	2,942.62
(d) Depreciation and amortisation	169.89	316.79	299.69	88.99
(e) Other expenses	2,092.97	3,954.81	3,830.87	3,976.84
Total expenses	24,518.08	50,568.81	55,731.77	44,661.98
III. Profit before Tax (I - II)	12,580.74	20,777.74	16,926.52	15,690.56
Tax expense				
- Current tax	3,609.66	5,414.00	4,568.00	5,694.20
- Deferred Tax	(438.98)	(159.09)	48.39	(172.88)
IV. Total tax expense	3,170.68	5,254.91	4,616.39	5,521.32
V. Net profit after tax (III - IV)	9,410.06	15,522.83	12,310.13	10,169.24
Other comprehensive income				
(a) Items that will not be reclassified to profit or loss				
- Remeasurement of the defined benefit plans	(20.66)	(7.60)	(41.69)	(14.66)
- Income tax relating to the above item that will not be reclassified to profit or loss	5.20	1.91	10.38	5.12
(b) Items that will be reclassified to profit or loss				
- Cash flow hedge reserves	218.33	428.08	(2,209.01)	-

Statement of Profit and Loss	For the Half Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
- Income tax relating to the above item that will be reclassified to profit or loss	(55.00)	(107.00)	556.01	-
- Fair value of investments	60.48	(73.88)	-	-
- Income tax relating to the above item that will be reclassified to profit or loss	(15.22)	19.00	-	-
VI. Other comprehensive income	193.13	260.51	(1,684.31)	(9.54)
VII. Total comprehensive income (V + VI)	9,603.19	15,783.34	10,625.82	10,159.70

Cash Flow Statement for the half year / year ended September 30, 2021(Limited Review), March 31, 2021 (Audited), March 31, 2020 (Audited) & March 31, 2019 (Audited) (Rs. in Lakhs)

Cash Flow Statement	For the Half Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	30-Sep-21	March 31, 2021	March 31, 2020	March 31, 2019
A. Operating activities				
Profit before tax	12,580.74	20,777.74	16,926.52	15,690.56
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation & amortisation	169.89	316.79	299.69	88.99
Impairment on financial instruments (Expected credit loss)	439.49	884.55	2,280.52	270.76
(Profit)/loss on property, plant and equipment sold/discarded	2.94	(0.01)	(0.35)	1.26
Interest income	(36,214.49)	(69,705.90)	(70,512.50)	(59,105.60)
Interest expense	19,495.18	41,329.07	46,020.77	37,223.79
Interest on income tax payable				
Provision for employee benefits	28.97	76.31	32.62	53.60
Net gain on fair value changes	26.46	(760.75)	(1,004.45)	-
	(3,470.82)	(7,082.21)	(5,957.17)	(5,776.64)
Cash inflow towards interest received	28,916.95	48,948.46	48,968.66	41,808.58
Cash outflow towards interest paid	(19,537.66)	(42,070.10)	(39,964.94)	(29,972.65)
Cash inflow from derivative financial instruments	-	58.50	-	-
Cash generated from operations before working capital changes	5,908.47	(145.35)	3,046.54	6,059.29

Cash Flow Statement	For the Half Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	30-Sep-21	March 31, 2021	March 31, 2020	March 31, 2019
Working capital changes				
(Increase) / Decrease in financial assets and non financial assets	(243.18)	(52.43)	(179.94)	(39.20)
Increase / (Decrease) in financial and non financial liabilities	536.61	901.33	(136.27)	26.06
Net cash from operations	6,201.89	703.55	2,730.33	6,046.15
Loans disbursed (net)	(1,35,712.27)	19,709.57	(69,645.81)	(92,930.60)
(Investment)/Redemption in/from cash management Schemes of mutual funds (net)	3,465.96	14,254.26	(30,075.31)	-
(Investment)/Redemption in/from treasury activities (net)	(3,651.79)	(3,202.02)	-	-
Income tax paid	(3,217.05)	(5,360.04)	(4,832.50)	(5,618.35)
Income tax refund	-	16.18	59.13	-
Net cash flows from/(used in) operating activities	(1,32,913.26)	26,121.50	(1,01,764.16)	(92,502.80)
B. Investing activities				
Purchase of property, plant and equipment and intangible assets (including intangible assets under development)	(47.55)	(206.01)	(14.24)	(52.33)
Proceeds from sale of property and equipment	0.13	0.66	-	0.15
Net cash flows from/(used in) investing activities	(47.42)	(205.35)	(14.24)	(52.18)
C. Financing activities				
Debt securities issued	84,143.66	76,903.36	1,94,227.02	3,02,719.20
Debt securities repaid	(27,500.00)	(1,12,500.00)	(1,83,000.00)	(2,82,500.00)
Borrowings (other than debt securities) taken	1,26,677.88	1,53,400.43	2,75,728.12	3,38,052.12
Borrowings (other than debt securities) repaid	(59,914.98)	(1,70,850.23)	(2,01,004.16)	(2,68,177.14)
Subordinated liabilities issued	-	-	14,933.93	7,476.87
Proceeds from issue of equity shares (net of issue expenses)	-	-	24,975.02	7,992.00
Dividends paid including dividend distribution tax	-	-	(0.81)	(0.81)
Lease payments	(134.71)	(267.38)	(237.20)	-
Net cash flows from/(used in) financing activities	1,23,271.84	(53,313.82)	1,25,621.92	1,05,562.24

Cash Flow Statement	For the Half Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
	30-Sep-21	March 31, 2021	March 31, 2020	March 31, 2019
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(9,688.84)	(27,397.67)	23,843.53	13,007.26
Cash and cash equivalents at the beginning of the period	10,741.60	38,139.26	14,295.74	1,288.48
Cash and cash equivalents at the end of the period	1,052.76	10,741.60	38,139.26	14,295.74

Note: There was no auditor's qualification. The Auditor's Report along with the requisite schedules, footnotes, summary, etc. can be accessed at:

FY 2020-21: http://hdfcredila.com/financials/2020-21/HDFC_Credila_Annual_Report_FY2020_21.pdf

FY 2019-20: http://hdfcredila.com/financials/2019-20/HDFC_Credila_Annual_Report_FY2019_20.pdf

FY 2018-19: http://hdfcredila.com/financials/2018-19/HDFC_Credila_Annual_Report_FY2018_19.pdf

Consolidated Audited Financial Statements

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

2) Unaudited financial information for the stub period:

Unaudited financial information for the half year ended September 30, 2021 is included in the above table. The limited review report can be accessed at

September 2021 - <http://hdfcredila.com/financials/2021-22/bse/52-4-half-yearly-financial-results.pdf>

December 2021 - https://hdfcredila.com/financials/2021-22/Q3_Results_FY_2021_22.pdf

3) Key Operational and Financial Parameters on consolidated and standalone basis

For Financial Sector Entities: Standalone basis (Rs. in Lakhs)

Parameters	Half Year Ended	Year Ended	Year Ended	Year Ended
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Balance Sheet				
Net Fixed Assets	968.79	862.50	705.76	248.24
Current Assets	1,92,137.20	1,55,160.29	89,211.95	42,882.65
Non-Current Assets	6,03,658.27	5,04,281.85	6,10,196.12	5,06,585.42

Parameters	Half Year Ended	Year Ended	Year Ended	Year Ended
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Total Assets	7,96,764.26	6,60,304.64	7,00,113.83	5,49,716.31
Non-Current Liabilities (including maturities of long-term borrowing and short-term borrowings)	4,86,004.97	3,94,068.91	4,59,061.55	3,00,693.33
Financial (borrowings, trade payables and other financial liabilities)	4,85,612.78	3,93,717.85	4,58,781.11	3,00,475.18
Provisions	392.19	351.06	280.44	218.15
Deferred tax liabilities (net)	-	-	-	-
Other non-current liabilities	-	-	-	-
Current Liabilities (including maturities of long-term borrowing)	1,86,725.88	1,51,806.11	1,42,406.00	1,85,976.71
Financial (borrowings, trade payables and other financial liabilities)	1,85,482.06	1,50,901.50	1,41,648.68	1,85,294.43
Provisions	99.14	84.34	82.54	70.53
Current tax liabilities (net)	438.64	67.31	14.15	264.39
Other current liabilities	706.04	752.97	660.62	347.36
Equity (equity and other equity)	1,24,033.41	1,14,429.62	98,646.28	63,046.27
Total equity and liabilities	7,96,764.26	6,60,304.64	7,00,113.83	5,49,716.31
Profit and Loss				
Total revenue	37,098.82	71,346.55	72,658.29	60,352.54
From Operations	37,098.82	71,346.54	72,658.26	60,352.43
Other Income	-	0.01	0.03	0.11
Total Expenses	24,518.08	50,568.81	55,731.77	44,661.98
Total Comprehensive Income	9,603.19	15,783.34	10,625.82	10,159.70
Profit/loss after tax	9,410.06	15,522.83	12,310.13	10,169.24
Other Comprehensive Income	193.13	260.51	(1,684.31)	(9.54)
Earnings per equity share from continuing operations:				
(a) Basic	7.14	11.78	14.18	15.05
(a) Diluted	7.14	11.78	14.18	8.30
Earnings per equity share from discontinuing operations:				
(a) Basic	-	-	-	-
(a) Diluted	-	-	-	-

Parameters	Half Year Ended	Year Ended	Year Ended	Year Ended
	September 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Earnings per equity share from continuing and discontinuing operations:				
(a) Basic	7.14	11.78	14.18	15.05
(a) Diluted	7.14	11.78	14.18	8.30
Cash Flow				
Net cash generated from operating activities	(1,32,913.26)	26,121.50	(101,764.16)	(92,502.81)
Net cash used in / generated from investing activities	(47.42)	(205.35)	(14.24)	(52.18)
Net cash used in financing activities	1,23,271.84	(53,313.82)	125,621.92	105,562.24
Cash and cash equivalents	10,741.60	38,139.26	14,295.74	1,288.49
Balance as per statement of cash flows	1,052.76	10,741.60	38,139.26	14,295.74
Additional Information				
Net worth	1,24,033.41	114,429.62	98,646.28	63,046.27
Cash and Cash Equivalents	1,052.76	10,741.60	38,139.26	14,295.74
Current Investments	14,614.57	17,883.56	31,072.99	-
Assets Under Management#	7,69,704.70	6,26,695.72	6,25,666.15	5,34,483.91
Off Balance Sheet Assets	1,32,884.97	75,016.48	78,695.57	135,455.63
Total Debts to Total Assets (%)	81.90%	79.86%	83.68%	86.57%
Debt Service Coverage Ratios**	NA	NA	NA	NA
Interest Income	36,214.49	69,705.90	70,512.50	59,105.60
Interest Expense	19,537.90	41,869.15	46,226.89	37,382.77
Interest Service Coverage Ratios**	NA	NA	NA	NA
Provisioning & Write-offs	157.69	884.55	2,280.52	270.76
Bad debts to Account receivable ratio	NA	NA	NA	NA
Gross NPA (Stage III) (%)	0.65%	0.60%	0.12%	0.07%
Net NPA (Stage III) (%)	0.45%	0.40%	0.10%	0.04%
Tier I Capital Adequacy Ratio (%)	15.07%	17.67%	14.70%	11.55%
Tier II Capital Adequacy Ratio (%)	4.79%	6.36%	7.57%	6.90%

Assets Under Management refers to Gross Loan outstanding as on date

* Format of Key Operational and Financial Parameters is modified as per the format of Financial Results (prepared under Ind-AS)

**The Company being a NBFC, this disclosure is not applicable pursuant to proviso to Regulation 52(4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.

Consolidated Audited Financial Statements

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

Gross Debt: Equity Ratio of the Company:

Before the Issue (As on December 31, 2021)	5.50
After the issue of debt securities*	5.66

* Assuming the proposed issue to be fully subscribed.

Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability: Nil

SECTION 6: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI NCS Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI NCS Regulations.

6.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) year's Annual Reports;
- (c) Material contracts and agreements
 - Letter appointing Registrar and Transfer Agents
 - Letter appointing IDBI Trusteeship Ltd.;
- (d) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories;
- (e) Certified true copy of the resolution passed by the member of the Company at the Extra Ordinary General Meeting held on March 18, 2020 authorising the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of Rs. 15,000,00,00,000/- (Rupees Fifteen Thousand Crores Only);
- (f) An undertaking from the Issuer stating that the necessary documents for the Issue, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the Debentures are proposed to be listed, within 4 (four) trading days of execution of the same; and
- (g) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.
- (h) An undertaking that permission / consent from the prior creditor for a *pari passu* charge being created, where applicable, in favour of the trustees to the proposed issue has been obtained.

6.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) year's Annual Reports;
- (c) Material contracts and agreements
 - Letter appointing Registrar and Transfer Agents
 - Letter appointing IDBI Trusteeship Ltd.;
- (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, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the

details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

6.3 Name and Address of Registered Office of the Issuer

Name: **HDFC Credila Financial Services Limited**
(formerly known as HDFC Credila Financial Services Private Limited)
Registered Office of Issuer: B 301, Citi Point,
Next to Kohinoor Continental,
Andheri - Kurla Road,
Andheri (East),
Mumbai 400 059

Corporate Office of Issuer: B 301, Citi Point,
Next to Kohinoor Continental,
Andheri - Kurla Road,
Andheri (East),
Mumbai 400 059

Compliance Officer of Issuer: **Ms. Akanksha Kandoi, Company Secretary & Compliance Officer**

CFO of Issuer: **Mr. Manjeet Bijlani, CFO**
Corporate Identification Number: U67190MH2006PLC159411
Phone No.: +91 22 2826 6636
Fax No.: +91 22 2471 2447
Contact Person: Mr. Manjeet Bijlani
Email: manjeetb@hdfcredila.com
Website of Issuer: www.hdfcredila.com

Statutory Auditors of the Issuer: **M/s Shah Gupta & Company, Chartered Accountants,**
38, Bombay Mutual Building,
2nd Floor, Dr. D N Road, Fort,
Mumbai – 400 001

Arranger to the Issue: **Taurus Corporate Advisory Services Limited,**
03, Cosmos Court,
Opp. IOCL Petrol Pump,
S. V. Road, Vile-Parle (w).
Mumbai-400 056

ICICI Bank Limited
ICICI Bank Towers,
Bandra Kurla Complex,
Mumbai 400051

Trustee to the Issue: **IDBI Trusteeship Services Limited**
Address: Asian Building, Ground Floor,

17, R. Kamani Marg,
Ballard Estate
Mumbai – 400 001
Tel. Nos. : +91 22 4080 7001
Fax Nos. : +91 22 2288 2312
E-Mail: adityakapil@idbitrustee.com/itsl@idbitrustee.com
Website: www.idbitrustee.com

Registrar to the Issue: **Adroit Corporate Services Private Limited**
18/19/20 Jafferbhoy Industrial Estate,
Makwana Road, Marol Naka Andheri (East),
Mumbai – 400 059
Tel. Nos. : +91 22 2859 0942
Fax Nos. : +91 22 2850 3748
E-Mail : sshetty@adroitcorporate.com

Credit Rating Agencies of the Issue: **CRISIL Limited**
Address: CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai- 400 076
Tel. No.: +91 22 3342 3000
Fax No.: +91 22 3342 3001
Email: CRISILratingdesk@crisil.com
Website: www.crisil.com

CARE Ratings Limited
Address: 4th Floor, Godrej Coliseums,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (E), Mumbai – 400 022
Tel. No.: +91 22 6754 3456
Fax No.: +91 22 6754 3457
Email: care@careratings.com
Website: www.careratings.com

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

(a) **Overview**

- HDFC Credila was incorporated under the Companies Act of 1956 on February 1, 2006.
- HDFC Credila is a Public Limited company, which is a wholly owned subsidiary of Housing Development Finance Corporation Limited, a Public Limited company.
- HDFC Credila is a Non-Deposit Taking Non-Banking Finance Company (NBFC) licensed by the Reserve Bank of India (RBI) and obtained the Certificate of Registration bearing number N-13.01857, dated February 23, 2007 from the RBI.
- Main Objectives of HDFC Credila as per the Memorandum of Association is:

- Business of Lending or advancing of money by way of loan, overdraft or in any other manner whether with or without security or against movable or immovable properties or such other securities as may be decided by the Board of Directors of the Company from time to time.
 - Business of authorised dealers and/or money changers in foreign exchange, authorised money transfer agents and to render such services as may be permitted by RBI and to render advisory services and consultancy services in foreign exchange, export/import trade and setting up joint ventures.
 - Business of Corporate Agents in life, standalone health insurance as well as general insurance business respectively for the purpose of soliciting and distribution of insurance products and to carry on any other activity that is incidental and allied or related to the corporate agency business.
- HDFC Credila is a dedicated education loan company, providing loans to students pursuing higher education in India and abroad.
 - Currently HDFC Credila has its offices at Mumbai, Pune, Nashik, Bangalore, Hyderabad, Delhi, Chennai, Ahmedabad, Kolkata.
 - HDFC Credila has developed a robust credit appraisal mechanism for education loan.

(b) Corporate Structure

HDFC Credila was incorporated as private limited Company which subsequently got converted into public limited Company on October 08, 2020. It is a wholly owned subsidiary of Housing Development Finance Corporation Limited.

(c) Project cost and means of financing, in case of funding new projects: N.A.

6.4 Brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on December 31, 2021:

Share Capital	No. of Shares (Face Value Rs.10 each)	Amount (Rs. In Crores)
Authorised Share Capital	15,50,00,000	155.00
Issued, Subscribed and Paid-up Share Capital	13,17,98,226	131.79

(b) Changes in its capital structure as on December 31, 2021, for the last three years:

Date of change (AGM/EGM)	Amount (in Rs.)	Particulars of change
Dec 15, 2007	20,00,00,000	Increase in Authorised Share Capital from Rs. 2.5 Crore to Rs. 20 Crore

Date of change (AGM/EGM)	Amount (in Rs.)	Particulars of change
Jul 09, 2010	25,00,00,000	Increase in Authorised Share Capital from Rs. 20 Crore to Rs. 25 Crore
Sep 14, 2010	40,00,00,000	Increase in Authorised Share Capital from Rs. 25 Crore to Rs. 40 Crore
Mar 25, 2011	70,00,00,000	Increase in Authorised Share Capital from Rs. 40 Crore to Rs. 70 Crore
Jul 15, 2011	100,00,00,000	Increase in Authorised Share Capital from Rs. 70 Crore to Rs. 100 Crore
Feb 21, 2012	1,50,00,00,000	Increase in Authorised Share Capital from Rs. 100 Crore to Rs.150 Crore
May 25, 2016	1,55,00,00,000	Increase in Authorised Share Capital from Rs. 150 Crore to Rs.155 Crore
August 06, 2018	1,55,00,00,000	Authorised Share Capital was reclassified consisting of 8,80,00,000 Equity shares of Rs. 10/- each and 6,70,00,000 Preference Shares of Rs. 10/- each.
August 05, 2019	1,55,00,00,000	Authorised Share Capital was reclassified consisting of 10,80,00,000 Equity shares of Rs. 10/- each and 4,70,00,000 Preference Shares of Rs. 10/- each
March 18, 2020	1,55,00,00,000	Authorised Share Capital was reclassified consisting of 13,30,00,000 Equity shares of Rs. 10/- each and 2,20,00,000 Preference Shares of Rs. 10/- each
June 28, 2021	1,55,00,00,000	Authorised Share Capital was reclassified so as to consist of 15,50,00,000 Equity shares of Rs. 10/- each

(c) Equity Share Capital History of the Company as on March 31, 2021 the last three years:

Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Nature of consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative Share Capital			Remarks
						No. of Equity Shares	Equity Share Capital (in Rs.)	Equity Share Premium (in Rs.) *	
Apr 15, 2009	39,55,335	10	3,95,53,350	Other than cash	Conversion ^a	1,54,25,335	15,42,53,350	4,01,46,650	
May 19, 2010	39,55,335	10	3,95,53,350	Other than cash	Conversion ^b	1,93,80,670	19,38,06,700	8,02,93,300	
Jul 09, 2010	40,28,000	10	4,02,80,000	Cash	Not Applicable	2,34,08,670	23,40,86,700	8,02,93,300	
Sep 14, 2010	70,00,000	10	7,00,00,000	Cash	Not Applicable	3,04,08,670	30,40,86,700	8,02,93,300	
Jun 01, 2013	2,33,33,333	10	23,33,33,330	Other than cash	Conversion ^c	5,37,42,003	53,74,20,030	9,69,59,966	

Private & Confidential (For Addressee Only)

Date of Allotment	No. of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Nature of consideration (cash, other than cash etc.)	Nature of Allotment	Cumulative Share Capital			Remarks
						No. of Equity Shares	Equity Share Capital (in Rs.)	Equity Share Premium (in Rs.) *	
August 12, 2016	20,00,000	10	10,00,00,000	Cash	Not Applicable	5,57,42,003	55,74,20,030	17,63,84,966	
March 30, 2017	50,00,000	10	45,00,00,000	Cash	Not Applicable	6,07,42,003	60,74,20,030	57,63,84,966	
July 31, 2017	13,70,600	10	14,99,98,464	Cash	Not Applicable	6,21,12,603	62,11,26,030	71,26,77,430	
March 28, 2018	24,13,800	10	35,00,01,000	Cash	Not Applicable	6,45,26,403	64,52,64,030	103,85,40,430	
July 28, 2018	44,94,383	10	80,00,00,174	Cash	Not Applicable	6,90,20,786	69,02,07,860	179,35,96,774	
10-May-19	4,166,660	10	49,999,920	Other than cash	Conversion ^d	73,187,446	731,874,460	1,802,505,094	
10-May-19	3,846,150	10	49,999,950	Other than cash	Conversion ^d	77,033,596	770,335,960	1,814,043,544	
06-Jul-19	7,692,300	10	99,999,900	Other than cash	Conversion ^e	84,725,896	847,258,960	1,837,120,444	
13-Aug-19	3,846,150	10	49,999,950	Other than cash	Conversion ^f	88,572,046	885,720,460	1,848,658,894	
23-Aug-19	1,811,600	10	50,00,01,600	Cash	Not Applicable	90,383,646	903,836,460	2,330,544,494	
18-Mar-20	1,24,99,993	10	14,99,99,916	Other than cash	Conversion ^g	10,28,83,639	1,02,88,36,390	2,35,55,44,480	
18-Mar-20	41,66,660	10	4,99,99,920	Other than cash	Conversion ^g	10,70,50,299	1,07,05,02,990	2,36,38,77,800	
19-Mar-20	27,77,778	10	5,00,00,004	Other than cash	Conversion ^h	10,98,28,077	1,09,82,80,770	2,38,61,00,024	
19-Mar-20	60,00,000	10	6,00,00,000	Other than cash	Conversion ⁱ	11,58,28,077	1,15,82,80,770	2,38,61,00,024	
19-Mar-20	90,00,000	10	9,00,00,000	Other than cash	Conversion ^j	12,48,28,077	1,24,82,80,770	2,38,61,00,024	
19-Mar-20	10,00,000	10	2,00,00,000	Other than cash	Conversion ^k	12,58,28,077	1,25,82,80,770	2,39,61,00,024	
31-Mar-20	59,70,149	10	1,99,99,99,915	Cash	Not Applicable	13,17,98,226	131,79,82,260	4,33,63,98,449	

* Expenses adjusted against the securities premium are not considered.

Notes:

- a. On April 15, 2009, 39,55,335 Compulsorily Convertible Preference Shares of Rs. 10 each have been converted into 39,55,335 Equity Shares of Rs. 10 each as per the terms of the Agreement.
- b. On May 19, 2010, 39,55,335 Optionally Convertible Debentures of Rs. 20.15 each have been converted into 39,55,335 Equity Shares of Rs. 10 each at a premium of Rs. 10.15 each as per the terms and conditions of the issue of Optionally Convertible Debentures.
- c. On June 01, 2013, 2,50,00,000 Compulsorily Convertible Preference Shares of Rs. 10 each have been converted into 2,33,33,333 Equity Shares of Rs. 10 each as per the terms of the Agreement.
- d. 49,99,992 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round IV) and 49,99,995 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round V) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on February 27, 2019 and April 30, 2019 respectively at a conversion price of Rs. 12 each and Rs. 13 each respectively. Holders of these Compulsorily Convertible Preference Shares gave their consent to extend the due dates for the conversion to May 10, 2019.

Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 80,12,810 Equity Shares on May 10, 2019.

- e. 99,99,990 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round VI) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on July 06, 2019 a conversion price of Rs. 13 each respectively. Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 76,92,300 Equity Shares on July 06, 2019.
- f. 49,99,995 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round VII) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on August 13, 2019 a conversion price of Rs. 13 each respectively. Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 38,46,3150 Equity Shares on August 13, 2019
- g. 1,49,99,992 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round III) and 49,99,992 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round IV) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on September 02, 2020 at conversion price of Rs. 12 each respectively. Company got application for conversion of these CCPS. Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 1,24,99,993 and 41,66,660 Equity Shares on March 18, 2020.
- h. 60,00,000 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round I) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on September 02, 2020 at a conversion price of Rs. 10 each. Company got application for conversion of these CCPS. Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 60,00,000 Equity Shares on March 19, 2020.
- i. 90,00,000 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round II) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on September 02, 2020 at a conversion price of Rs. 10 each. Company got application for conversion of these CCPS. Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 90,00,000 Equity Shares on March 19, 2020

- j. 50,00,000 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round VIII) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on August 30, 2020 at a conversion price of Rs. 18 each. Company got application for conversion of these CCPS. Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 27,77,778 Equity Shares on March 19, 2020
- k. 20,00,000 Compulsorily Convertible Preference Shares of Rs. 10 each (of Round IX) were due for conversion into Equity Shares of Rs. 10 each as per the terms of the Agreement on March 28, 2021 at conversion price of Rs. 20 each. Company got application for conversion of these CCPS. Accordingly, Board has converted said Compulsorily Convertible Preference Shares into 10,00,000 Equity Shares on March 19, 2020.

Details of any Acquisition or Amalgamation in the last 1 (one) year: NIL

Details of any Reorganization or Reconstruction in the last 1 (one) year: NIL

Details of the shareholding of the Company as on December 31, 2021

(d) Shareholding pattern of the Company as on December 31, 2021

Sr. No.	Name of the Shareholders	Total No. of Equity Shares	No. of Shares in Demat form	Total Shareholding as a %age of Total No. of Equity Shares
1	Housing Development Finance Corporation Limited	13,17,98,220	13,17,98,220	100.00%
2	Mr. Subodh Salunke (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
3	Mr. Suresh Menon (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
4	Mr. Conrad D'Souza (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
5	Mr. Sudhir Kumar Jha (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
6	Mr. Dipta Bhanu Gupta (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
7	Mr. Ajay Agarwal (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
	TOTAL	13,17,98,226	13,17,98,226	100.00%

Notes: Details of shares pledged or encumbered by the promoters (if any): NIL

List of top 10 holders of equity shares of the Company as on December 31, 2021

Sr. No.	Particulars	Total No. of Equity Shares	No. of Shares in Demat form	Total Shareholding as a %age of Total No. of Equity Shares
1	Housing Development Finance Corporation Limited	13,17,98,220	13,17,98,220	100.00%
2	Mr. Subodh Salunke (Nominee Shareholder of HDFC Ltd)	1	1	0.00%

3	Mr. Suresh Menon (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
4	Mr. Conrad D'Souza (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
5	Mr. Sudhir Kumar Jha (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
6	Mr. Dipta Bhanu Gupta (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
7	Mr. Ajay Agarwal (Nominee Shareholder of HDFC Ltd)	1	1	0.00%
	TOTAL	13,17,98,226	13,17,98,226	100.00%

6.5 Following details regarding the directors of the Company:

(a) Details of current directors of the Company:

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

Name, Designation and DIN	Age (in years)	Residential Address	Director of the Company since	Other Directorships	Whether willful defaulter (Yes/No)
Mr. V. S. Rangan Chairman DIN: 00030248	61	Flat No. C-1003, Ashok Towers, Dr Babasaheb Ambedkar Marg, Parel Mumbai 400012	December 24, 2009	<ul style="list-style-type: none"> • Housing Development Finance Corporation Limited • Atul Limited • Computer Age Management Services Private Limited • TVS Credit Services Limited • HDFC Investments Limited • HDFC Trustee Company Limited • HDFC Property Ventures Limited • HDFC Education and Development Services Private Limited • H T Parekh Foundation 	No

Private & Confidential (For Addressee Only)

Name, Designation and DIN	Age (in years)	Residential Address	Director of the Company since	Other Directorships	Whether willful defaulter (Yes/No)
Mr. Subodh Salunke Vice Chairman DIN: 03053815	58	0901/2, Floor No. 9, Plot No. 63/74, Tower-A, Ashok Tower, Dr. S. S. Rao Road, Opp. Mahatma Gandhi Hospital, Mumbai 400012	March 26, 2010	<ul style="list-style-type: none"> • Nil 	No
Mr. Arijit Sanyal Managing Director & CEO DIN: 08386684	45	C-1008, Ashok Towers, Dr. Babasaheb Ambedkar Road, Parel, Mumbai 400012	January 17, 2020	<ul style="list-style-type: none"> • Northumberland Capital Limited (foreign Co) 	No
Mr. Biswamohan Mahapatra Independent Director DIN: 06990345	68	502 5th Floor, M1 wing, Riddhi Gardens Chsl Gen. A. K. Vaidya Marg, Malad (East) Mumbai 400097	March 30, 2015 Reappointed as Independent Director w.e.f. March 30, 2020	<ul style="list-style-type: none"> • Edelweiss financial services limited • ECL Finance Limited • National Payments Corporation of India • NPCI International Payments Limited • Edelweiss Housing Finance Ltd • NPCI Bharat BillPay Ltd. 	No
Mr. Sunil Shah Director DIN: 00137105	64	C-3206, Oberoi Exquisite, Oberoi Garden City, A B Karmarkar, Goregaon East, Mumbai-400 063 Mumbai 400063	July 05, 2019	<ul style="list-style-type: none"> • Evergreen Research and Assets Management Private Limited 	No
Mr. Rajesh Gupta Director DIN: 00229040	57	B-2301, Plot- 141, Phoenix tower, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013	January 17, 2020	<ul style="list-style-type: none"> • Housing Finance Development Corporation Limited 	No

Name, Designation and DIN	Age (in years)	Residential Address	Director of the Company since	Other Directorships	Whether willful defaulter (Yes/No)
Ms. Madhumita Ganguli Director DIN: 00676830	65	R-302, Greater Kailash Part-1, Greater Kailash, South Delhi, Delhi 110048	March 30, 2015	<ul style="list-style-type: none"> • Indraprastha Medical Corporation Limited • CL Educate Limited • Transunion Cibil Limited • HDFC Capital Advisors Limited • Campus Activewear Limited 	No

Details of change in directors since last three years:

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Amitabh Chaudhry DIN: 00531120	October 14, 2018	March 30, 2015	Resigned as Independent Director w.e.f. October 14, 2018
Mr. Sudhin Choksey DIN: 00036085	October 11, 2019	March 30, 2015	Resigned as Independent Director w.e.f. October 11, 2019
Mr. Subodh Salunke DIN: 03053815	March 26, 2010	-	Nominee Director appointed as a Whole Time Director designated as Executive Vice Chairman w.e.f. April 25, 2018. Designation changed from EVC to Non-EVC w.e.f. January 18, 2020
Mr. Ajay Bohora DIN : 00694444	December 12, 2019	Feb 01, 2006	Resigned as Managing Director & CEO on December 12, 2019
Mr. Anil Bohora DIN : 00694396	December 12, 2019	Feb 01, 2006	Resigned as Managing Director on December 12, 2019
Mr. Suresh Badami DIN: 08224871	April 19, 2019	Jan 11, 2019	Appointed as Additional Director (Independent) for 5 years w.e.f. January 11, 2019 subject to shareholders approval. Resigned w.e.f. April 19, 2019.
Mr. Sunil Shah DIN: 00137105	July 05, 2019	-	Appointed as Independent Director for 5 years w.e.f. July 05, 2019
Mr. Rajesh Gupta DIN: 00229040	January 17, 2020	-	Appointed as Independent Director for 5 years w.e.f. January 17, 2020

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Arijit Sanyal DIN: 08386684	January 17, 2020	-	Appointed as Managing Director w.e.f. January 17, 2020
Mr. Biswamohan Mahapatra DIN: 06990345	March 30, 2020	-	(Appointed as Independent Director on March 30, 2015) Reappointed as Independent Director w.e.f. March 30, 2020

6.6 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name of Statutory Auditors	Address	Auditor since
<i>M/s Shah Gupta & Co. Chartered Accountants</i>	38, Bombay Mutual Building, 2 nd Floor, Dr. D N Road, Fort, Mumbai – 400 001	November 19, 2021

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

Name of Statutory Auditors	Address	Date of Appointment	Date of cessation, if applicable	Date of resignation, if applicable
BSR & Co. LLP <i>Chartered Accountants</i>	14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063	May 30, 2017	Ceased to be the Statutory Auditor due to ineligibility caused in terms of the RBI guidelines w.e.f. November 2, 2021	-

6.7 Details of following liabilities of the Company, as on December 31, 2021:

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

Lender's Name	Type of Facility	Amount sanctioned (Rs. in crores)	Principal Outstanding (Rs. in crores)	Repayment Date/ Schedule	Security
Bajaj Finance	Term Loan	125.00	50.00	Repayable in 12 quarterly instalments of Rs. 4.17 crores each commencing from 31-Mar-24	Hypothecation of Standard education loan receivables
Canara Bank	Term Loan	500.00	249.89	Repayable in 12 quarterly instalments of Rs. 20.83 crores each commencing from 29-Mar-24	
DBS Bank	Term Loan	200.00	150.00	Repayable in 12 quarterly instalments of Rs. 16.67 crores each commencing from 22-Jun-21	
Deutsche Bank	Term Loan	300.00	300.00	Repayable in 6 half yearly instalments of Rs. 50 crores each commencing from 22-Dec-23	
Deutsche Bank	Term Loan	200.00	200.00	Repayable in 6 half yearly instalments of Rs. 33.33 crores each commencing from 29-May-24	
Federal Bank	Term Loan	100.00	70.00	Repayable in 20 quarterly instalments of Rs. 5 crores each commencing from 27-Jul-20	
Federal Bank	Term Loan	100.00	33.33	Repayable in 12 quarterly instalments of Rs. 8.33 crores each commencing from 18-Jan-20	
Federal Bank	Term Loan	100.00	41.67	Repayable in 12 quarterly instalments of Rs. 8.33 crores each commencing from 30-Jun-20	
Federal Bank	Term Loan	200.00	116.66	Repayable in 12 quarterly instalments of Rs. 16.67 crores each commencing from 24-Dec-20	

Lender's Name	Type of Facility	Amount sanctioned (Rs. in crores)	Principal Outstanding (Rs. in crores)	Repayment Date/ Schedule	Security
Federal Bank	Term Loan	200.00	149.99	Repayable in 12 quarterly instalments of Rs. 16.67 crores each commencing from 19-Jun-21	
HSBC	Term Loan	300.00	300.00	Repayable in 12 quarterly instalments of Rs. 25 crores each commencing from 30-Sep-23	
HSBC	Term Loan	350.00	50.00	Repayable in 12 quarterly instalments of Rs. 4.17 crores each commencing from 30-Mar-24	
ICICI Bank	Term Loan	200.00	200.00	Repayable in 8 quarterly instalments of Rs. 25 crores each commencing from 31-Mar-22	
ICICI Bank	Term Loan	150.00	150.00	Repayable in 17 quarterly instalments of Rs. 8.82 crores each commencing from 16-Dec-22	
J&K Bank	Term Loan	100.00	64.21	Repayable in 28 quarterly instalments of Rs. 3.57 crores each commencing from 16-Aug-19	
J&K Bank	Term Loan	100.00	71.35	Repayable in 28 quarterly instalments of Rs. 3.57 crores each commencing from 12-Mar-20	
Karur Vysya Bank	Term Loan	75.00	75.00	Repayable in 16 quarterly instalments of Rs. 4.69 crores each commencing from 31-Oct-22	
Karur Vysya Bank	Term Loan	50.00	5.00	Repayable in 16 quarterly instalments of Rs. 0.31 crores each commencing from 31-Mar-23	
Kotak Mahindra Bank	Term Loan	200.00	200.00	Repayable in 17 quarterly instalments of Rs. 11.76 crores	

Lender's Name	Type of Facility	Amount sanctioned (Rs. in crores)	Principal Outstanding (Rs. in crores)	Repayment Date/ Schedule	Security
				each commencing from 23-Sep-22	
Punjab National Bank	Term Loan	200.00	25.00	Repayable in 28 quarterly instalments of Rs. 0.89 crores each commencing from 30-Dec-23	
Shinhan Bank	Term Loan	40.00	30.00	Repayable in 12 quarterly instalments of Rs. 3.33 crores each commencing from 31-May-21	
State Bank of India	Term Loan	300.00	300.00	Repayable in 28 quarterly instalments of Rs. 10.71 crores each commencing from 30-Mar-22	
State Bank of India	Term Loan	300.00	50.00	Repayable in 28 quarterly instalments of Rs. 1.79 crores each commencing from 29-Oct-23	
Union Bank of India (e-Corporation Bank)	Term Loan	300.00	95.85	Repayable in 28 quarterly instalments, out of which 27 quarterly equal instalments of Rs. 10.71 crores & last instalment of Rs. 10.83 crores commencing from 16-Jun-17	
Union Bank of India (e-Corporation Bank)	Term Loan	300.00	299.86	Repayable in 28 quarterly instalments of Rs. 10.71 crores each commencing from 30-Jun-23	
ICICI Bank	Working Capital Demand Loan	75.00	0.00	Up to 60 days	
	Total		3,277.81		

Note: Principal outstanding amount includes amount payable under Term Loans and Overdraft facilities and does not include Ind AS adjustment on account of EIR.

(b) **Details of Outstanding Unsecured Loan facilities as on December 31, 2021: Nil**

(c) Details of Listed Non-Convertible Securities as on December 31, 2021:

Series of NCS	Tenor/ Period of Maturity	Coupon Rate	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating (as of today)	Secured/ Unsecured	Security
		(% p.a.)	(Rs. in crore)					
11.75% HDFC Credila Financial Services Private Limited PDI, 2014 July 9	Perpetual	11.75	50	09-Jul-14	NA (Call Option after 10 years)	ICRA AA+ /stable, CARE AA+ /stable	Unsecured	NA
10.50% HDFC Credila Financial Services Private Limited PDI, 2015 January 27	Perpetual	10.50	50	27-Jan-15	NA (Call Option after 10 years)	ICRA AA+ /stable, CARE AA+ /stable	Unsecured	NA
10.50% HDFC Credila Financial Services Private Limited PDI, 2015 June 17	Perpetual	10.50	50	17-Jun-15	NA (Call Option after 10 years)	ICRA AA+ /stable, CARE AA+ /stable	Unsecured	NA
9.30% HDFC Credila, October 9, 2025	10 Years	9.30	100	09-Oct-15	09-Oct-25	CRISIL AAA/ stable CARE AAA/ stable	Unsecured	NA
8.00% HDFC Credila, February 25, 2022	5 Years	8.00	200	27-Feb-17	25-Feb-22	CRISIL AAA/ stable CARE AAA/ stable	Secured	***

Series of NCS	Tenor/ Period of Maturity	Coupon Rate	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating (as of today)	Secured/ Unsecured	Security
		(% p.a.)	(Rs. in crore)					
8.20% HDFC Credila, July 23, 2027	9 Years 364 days	8.20	50	24-Jul-17	23-Jul-27	CRISIL AAA/ stable ICRA AAA/ stable	Unsecured	NA
8.10% HDFC Credila, November 16, 2027	10 Years	8.10	50	16-Nov-17	16-Nov-27	CRISIL AAA/ stable ICRA AAA/ stable	Unsecured	NA
8.75% HDFC Credila Financial Services Private Limited PDI, 2017 December 8	Perpetual	8.75	50	08-Dec-17	NA (Call Option after 10 years)	ICRA AA+/ stable, CARE AA+/ stable	Unsecured	NA
9.35% HDFC Credila PDI, June 6, 2028	Perpetual	9.35	75	06-Jun-18	NA (Call Option after 10 years)	ICRA AA+/ stable, CARE AA+/ stable	Unsecured	NA
9.12% HDFC Credila, June 06, 2029	9 Years 363 days	9.12	150	06-Jun-19	06-Jun-29	CRISIL AAA/ stable ICRA AAA/ stable	Unsecured	NA
8.62% HDFC Credila, June 17, 2024	5 Years	8.62	100	17-Jun-19	17-Jun-24	CRISIL AAA/ stable ICRA AAA/ stable	Secured	***
8.85% HDFC Credila, July 06, 2029	9 Years 363 days	8.85	200	08-Jul-19	06-Jun-29	CRISIL AAA/ stable ICRA AAA/ stable	Secured	***

Series of NCS	Tenor/ Period of Maturity	Coupon Rate	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating (as of today)	Secured/ Unsecured	Security
		(% p.a.)	(Rs. in crore)					
8.70% HDFC Credila, August 01, 2029	10 years	8.70	200	01-Aug-19	01-Aug-29	CRISIL AAA/ stable ICRA AAA/ stable	Secured	***
8.00 % HDFC Credila, January 31, 2025	5 Years	8.00	200	31-Jan-20	31-Jan-25	CRISIL AAA/ stable ICRA AAA/ stable	Secured	***
7.10 % HDFC Credila, February 25, 2022	2 Years	7.10	200	25-Feb-20	25-Feb-22	CRISIL AAA/ stable ICRA AAA/ stable	Secured	***
5.99 % HDFC Credila, August 02, 2023	2 Years, 10 Months and 9 Days	5.99	200	24-Sept-20	02-Aug-23	“CRISIL AAA” by CRISIL and “ICRA AAA” by ICRA	Secured	***
7% HDFC Credila, November 12, 2027	6 years, 364 days	7	200	13-Nov-20	12-Nov-27	“CRISIL AAA” by CRISIL and “ICRA AAA” by ICRA	Secured	***
7.23% HDFC Credila, August 01, 2031	9 years, 364 days	7.23	250	02-Aug-21	01-Aug-31	“CRISIL AAA” by CRISIL and “CARE AAA” by Care	Secured	***
3M T-Bill Linked HDFC Credila,	3 years	Variable	300	25-Nov-21	25-Nov-24	“CRISIL AAA” by CRISIL	Secured	***

Series of NCS	Tenor/ Period of Maturity	Coupon Rate	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating (as of today)	Secured/ Unsecured	Security
		(% p.a.)	(Rs. in crore)					
November 25, 2024						and "CARE AAA" by Care		
			2,675					

*** Pari passu charge with other existing lenders on the loan receivables of the Company's underlying portfolio of loans having minimum asset cover of 1.05 times

Note : Amount includes amount payable under Secured/Unsecured Non-convertible Debentures and does not include Fair Value adjustment or Ind AS adjustment on account of EIR.

(d) **List of top 10 holders of non-convertible securities in terms of value (as on December 31, 2021)**

Sr. No	Name of Holders of Non-convertible Securities	Amount (Rs in Lakh)	% of total NCS outstanding
1	ICICI PRUDENTIAL MUTUAL FUND	48,500	18.13
2	ADITYA BIRLA SUN LIFE MUTUAL FUND	21,500	8.04
3	ICICI BANK LTD	13,830	5.17
4	NPS TRUST - A/C HDFC PENSION MANAGEMENT COMPANY LIMITED	11,230	4.20
5	INVESCO MUTUAL FUND	10,000	3.74
6	ICICI BANK LIMITED PROVIDENT FUND	9,000	3.36
7	SBI MUTUAL FUND	8,000	2.99
8	MAHINDRA AND MAHINDRA LTD STAFF PROVIDENT FUND	7,660	2.86
9	HINDALCO EMPLOYEES PROVIDENT FUND INSTITUTION	5,900	2.21
10	PROVIDENT FUND OF TATA STEEL LIMITED	5,860	2.19

Note: Top 10 holders' of debentures have been shown on a cumulative basis for all outstanding debentures.

(e) **Details of outstanding Commercial Paper (as on December 31, 2021)**

Sr. No	ISIN of Commercial Paper	Maturity Date	Amount Outstanding (Rs. in crore)
1	INE539KAP9	30-Mar-2022	300.00
2	INE539KAN4	30-Aug-2022	100.00

- (f) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2021:**

Name of the party	Type of Facility	Amount sanctioned (USD in million)	Principal Outstanding (Rs. in crore)	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security
CTBC Bank	External Commercial Borrowing	100.00	743.40	3 years from the date of drawdown	---	Secured	Pari-passu charge over education loan receivables
DBS Bank							
Bank of Baroda							
SMBC Bank							

Note : External Commercial Borrowings are valued at closing rate as on December 31, 2021

- (g) **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc.) on behalf of whom it has been issued. (if any)**

The Company has not issued any corporate guarantee in favour of any counterparty including its subsidiaries, joint venture entities, group companies, etc.

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

This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

- (vii) in whole or part,
- (viii) at a premium or discount, or
- (ix) in pursuance of an option or not

The Company, till date, has not taken any borrowing or issued any debt securities for consideration other than cash or in pursuance of an option.

6.8 Disclosures on Asset Liability Management (ALM) for NBFCs

Please refer Section 7 for the disclosure.

6.9 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the company, in the past 3 years:

Interest on existing debt securities of the Company is paid to the respective holders of the debt securities on the relevant due dates for payment of such interest, which is fixed in accordance with the terms of the issue of such debt securities. As on date of this Disclosure Document/Information Memorandum and/or Private Placement Offer Letter, the Company has not defaulted in its

obligations to pay either the interest or principal amount towards its existing debt securities or term loans.

6.10 Details of Promoters of the Company:

Name	Housing Development Finance Corporation Limited
Date of Birth / Date of Incorporation	17-10-1977
Age	Not Applicable
Registered Address	Ramon House, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai – 400 020.
Educational Qualification	Not Applicable
Experience in the business or employment	The Corporation has completed more than 40 years of operations.
positions posts held in the past	Not Applicable
Directorships held	Not Applicable
other ventures of each promoter	The Corporation is a Financial Conglomerate with diversified businesses. The details are available in the Annual Report - https://www.hdfc.com/sites/default/files/2021-06/hdfc-shareholder-copy-2020-21_1.pdf
Special Achievements	Recent Awards - 1) Best Integrated Report 2020 by Asian Centre for Corporate Governance & Sustainability 2) 'Leadership in Employee Development' by ESGRisk.ai, India's 1st ESG rating company 3) 'Company of the Year' at The Economic Times Awards for Corporate Excellence 2020 4) Golden Peacock Award for Excellence in Corporate Governance 2020 5) Felicitated under the 'Leadership' category in the Corporate Governance Score Card, 2020 under a joint initiative by IFC-IIAS-BSE
Business and financial activities of the Promoter	The Corporation is a Financial Conglomerate with diversified businesses. The details are available in the Annual Report - https://www.hdfc.com/sites/default/files/2021-06/hdfc-shareholder-copy-2020-21_1.pdf
photograph	Not Applicable
Permanent Accountant Number	AAACH0997E

Details of Promoter Holding in Company as on December 31, 2021

Sr. No.	Name of Shareholder	Total No. of Equity Shares	No. of Equity Shares held in Demat form	Total shareholding as a %age of Total No. of Equity Shares	No. of Equity Shares Pledged	% of Equity Shares pledged with respect to shares owned
1	Housing Development Finance Corporation Limited	13,17,98,220	13,17,98,220	100.00%	Nil	Nil
2	Mr. Subodh Salunke*	1	1	0.00%	Nil	Nil
3	Mr. Suresh Menon*	1	1	0.00%	Nil	Nil
4	Mr. Conrad D'Souza*	1	1	0.00%	Nil	Nil
5	Mr. Sudhir Kumar Jha*	1	1	0.00%	Nil	Nil
6	Mr. Dipta Bhanu Gupta*	1	1	0.00%	Nil	Nil
7	Mr. Ajay Agarwal*	1	1	0.00%	Nil	Nil
	Total	13,17,98,226	13,17,98,226			

*These shareholders are nominee shareholders of Housing Development Finance Corporation Limited

6.11 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 Disclosure Document/Information Memorandum and/or Private Placement Offer Letter, since the date of the last published audited financial accounts, no material developments have taken place

6.12 Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company: -

The Corporation from time to time, is involved in various legal proceedings in the ordinary course of business, which involve matters pertaining to, among others, tax, regulatory and other disputes. As on the date of this Shelf Placement Memorandum, except as disclosed hereunder, the Corporation is not involved in any material governmental, legal or arbitration proceedings or litigation and it is not aware of any pending or threatened material governmental, legal or arbitration proceedings or litigation relating to it which may have a significant effect on the

financial condition, the results of operations or cash flows of the Corporation, on a consolidated basis.

National Housing Bank

On 16 March 2020, the NHB imposed a cumulative penalty of Rs. 85,000 (exclusive of taxes) in relation to non-compliances with certain provisions of the NHB Directions with respect to asset classification, and for not obtaining periodical reports on the business undertaken by the Dubai and London representative offices of the Issuer, as observed in its inspection report dated 15 July 2019 for the financial year ended 31 March 2018. The penalty has been paid by the Issuer on 9 April 2020.

On 29 September 2020, the NHB imposed a monetary penalty of Rs. 150,000 (exclusive of taxes) on the Issuer in relation to non-compliances with certain provisions of the NHB Directions inter alia, in the methodology used for certain types of asset classification as well as classification and rollovers of certain inter-corporate deposits. The penalty has been paid by the Issuer on 8 October 2020.

On 5 July 2021, the NHB imposed a monetary penalty of Rs. 475,000 (exclusive of taxes) on the Issuer for technical non-compliance with NHB circular NHB(ND)/DRS/PolNo.58/2013-14 dated 18 November 2013 and NHB(ND)/DRS/Policy Circular No.75/2016-17 dated 1 July 2016. The Issuer has paid the said penalty on 19 July 2021, simultaneously holding on to its reservations with respect to the merits.

Reserve Bank of India

On 22 May 2020, RBI imposed a late submission fee of Rs. 250,000 on the Issuer for delayed filing of the downstream investment form (**Form DI**) for the downstream investment made by the Issuer in HDFC Credila Financial Services Private Limited. The Issuer had initially filed the Form DI on 29 April 2020 with the RBI, which was rejected due to want of certain clarifications and was then resubmitted on 6 May 2020. The penalty has been paid by the Issuer on 5 June 2020.

6.13 Details of default and non-payment of statutory dues: Nil

6.14 Names of the Debentures Trustees and Consents thereof

The Debenture Trustee of the proposed Debentures is IDBI Trusteeship Services Limited. IDBI Trusteeship Services Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all the subsequent periodical communications sent to the Debenture Holders and such consent has not been withdrawn up to the time of filing of this Disclosure Document/ Information Memorandum with BSE. The consent letter from Debenture Trustee is provided in Annexure III of this Information Memorandum.

6.15 Rating and Rating Rationale

The Debentures proposed to be issued have been rated and the rating details are as below:

Rating Agencies	Rating	Category	Meaning of the Rating
CRISIL	“CRISIL AAA” with stable outlook	Non-Convertible Debentures	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE	“CARE AAA” with stable outlook	Non-Convertible Debentures	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The rating letters assigned by CRISIL and CARE are enclosed herewith (See Annexure II).

6.16 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.

6.17 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

a. The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made.

Actual/Actual

b. Procedure and time schedule for allotment and issue of securities

The procedure and time schedule for allotment shall be as per the Electronic Book Mechanism Guidelines.

c. Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration.

Please refer to the Illustration of Cashflows as set out in the Term Sheet in Annexure I.

6.18 Undertaking for creation of security

The Company undertakes that the assets on which charge is created are already charged to secure a debt, the permission or consent to create a pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

- 6.19 Debt securities shall be considered as secured only if the charged asset is registered with Sub registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.**

The Company will register the charge with the Registrar of Companies post execution of the Debenture Trust Deed.

- 6.20 Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee.**

Refer to Annexure III of the Information Memorandum, which provides the Consent from the Trustee along with relevant details.

- 6.21 Due diligence certificate as per the format specified in the circular dated November 3, 2020 issued by SEBI regarding creation of security in issuance of listed debt securities and 'due diligence' by debenture trustee(s).**

Refer to Annexure III of the Information Memorandum.

- 6.22 That the permission / consent from the prior creditor for a second or pari-passu charge being created in favour of the trustees to the proposed issue has been obtained.**

The principal amount of the NCDs, interest and any other monies payable by the Company in respect of the NCDs will be secured by way of pari-passu charge on the loan receivables of the Company's underlying portfolio of loans (As defined under DTD), to the extent of Asset Cover (As defined under DTD), in favour of the Debenture Trustee.

However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets (As defined under DTD), subject to maintenance of Asset Cover (As defined under DTD).

The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4(4) and also in all the subsequent periodical communications sent to the holders of debt securities.

IDBI Trusteeship Services Limited is acting as Trustees for Secured Redeemable Non-Convertible Debentures issued by the Company. Consent in writing of the IDBI Trusteeship Services Limited to act as the debenture trustees has been obtained and such consent has not been withdrawn up to the time of filing of this Information Memorandum with BSE. The Trustee consent is enclosed as Annexure III.

- 6.23 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

6.24 Other details:

(a) Debenture Redemption Reserve Creation:

As per Section 71 of the Companies Act 2013, any company that intends to issue debentures must create a debenture redemption reserve to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company is not required to create Debenture Redemption Reserve.

(b) Issue / instrument specific regulations:

The Issue of the Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the relevant RBI circulars and guidelines and the SEBI NCS Regulations.

(c) Application process:

The application process for the Issue is as provided in **point 10.10** of this Information Memorandum.

6.25 A statement containing particulars of the dates of and parties to all material contracts, agreements:

By very nature of its business, the Company is involved in large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. However, the contracts/documents referred below (not being contracts entered into in the ordinary course of the business carried on by the Company) which are or may be deemed to be material have been entered into by the Company. Copies of these contracts /documents shall be available for inspection at the registered office of the Company between 10.00 a.m. and 12.00 noon on all days except Saturdays, Sundays and public holidays.

Sr. No.	Nature of Contract
1.	Copy of letter appointing Arrangers to the Issue.
2.	Copy of letter appointing Registrar and copy of MoU entered into between the Issuer and the Registrar.
3.	Copy of letter appointing the Debenture Trustee to the Debenture Holders.
4.	Certified true copy of the Memorandum and Articles of Association of the Issuer as amended from time to time.
5.	Certified true copy of the Board Resolution dated January 25, 2021 authorising issue of the Debentures offered under terms of this Disclosure Document.
6.	Letter of consent from the Debenture Trustee for acting as trustees for and on behalf of the holder(s) of the Debentures.
7.	Copy of the Letter of consent from the Registrar for acting as Registrar to the Issue.
8.	Copy of the Application made to the BSE for grant of in-principle approval for listing of Debentures.
9.	Copy of the Letter from CRISIL Limited and CARE Ratings Limited conveying the credit rating for the Debentures
10.	Copy of the Tripartite Agreement between the Issuer, NSDL and Registrar for issue of the Debentures in dematerialised form.
11.	Copy of the Tripartite Agreement between the Issuer, CDSL and Registrar for issue of the Debentures in dematerialised form.

6.26 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 200,00,00,000/- (**Rupees Two Hundred Crore only**) by issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures, on a private placement basis

For further details of the Debentures, please refer to the terms and conditions of the Debentures set out in Section 6.29 of this Information Memorandum.

6.27 Issue Size

The issue size for the Debentures is **Rs. 200,00,00,000/- (Rupees Two Hundred Crore only)**

6.28 Objects of the Issue and Details of the Utilization of the Issue Proceeds

The funds being raised by the Issuer through present issue of Debentures are not meant for financing any particular project. The Issuer shall utilize the proceeds of the Issue for its regular business activities including utilization of proceeds for disbursement to meet the finance requirements of the borrowers of the Issuer and other associated business objectives such as discharging existing debt obligations which were generally undertaken for business operations. The details of utilization are as per the term sheet.

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 Issuer undertakes that proceeds of this Issue shall not be utilized for the following purposes as specified in the RBI Master Circular No. DBR. BP. BC. No. 5/21.04.172/2015-16 dated July 01, 2015:

- 1) Bills discounted / rediscounted by NBFCs, except for rediscounting of bills discounted by NBFCs arising out of: Commercial vehicles (including light commercial vehicles) and two wheeler and three wheeler vehicles, subject to the following conditions: The bills should have been drawn by the manufacturer on dealers only; The bills should represent genuine sale transactions as may be ascertained from the chassis / engine number and; Before rediscounting the bills, the bona fides and track record of NBFCs which have discounted the bills would be verified.
- 2) Investments of NBFCs both of current and long-term nature, in any company / entity by way of shares, debentures, etc. However, Stock Broking Companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- 3) Unsecured loans / inter-corporate deposits by NBFCs to / in any company.
- 4) All types of loans and advances by NBFCs to their subsidiaries, group companies / entities.
- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market

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

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

6.29 Issue Details

The Issuer proposes to issue 2,000 (Two Thousand) Secured, Rated, Listed, Redeemable, Non-convertible Debentures (the “Debentures”) of face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating up to **Rs. 200,00,00,000/- (Rupees Two Hundred Crore only)**, on a private placement basis (the “Issue”).

This issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The Issue is being issued in terms of this Information Memorandum and in pursuant to the resolution passed by the Board of Directors of the Company at its meeting held on January 25, 2021 and subject to the provisions of the Companies Act, 2013 and the Memorandum of Association and Articles of Association of the Company.

The Board Resolution dated January 25, 2021, authorizes Mr. Subodh Salunke – Vice Chairman, Mr. Arijit Sanyal – Managing Director & CEO, Ms. Madhumita Ganguli - Director, Mr. Manjeet Bijlani - Chief Financial Officer, Mr. Yatin Sahasrabudhe, Head-PIPM, Ms. Akanksha Kandoi, Company Secretary, Mr. Hitesh Parashar - National Sales Manager, Mr. Laxmikant Tople - VP Accounts & Finance of the Company to severally issue the Information Memorandum and sign the same for and on behalf of the Board of Directors of the Company. A certified true copy of the said resolution is annexed herewith.

SECTION 7: ASSET LIABILITY MANAGEMENT DISCLOSURES FOR NBFCs

Where the Issuer is a Non-Banking Finance Company the following disclosures on Asset Liability Management (ALM) have been provided for the latest audited financials

1. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC

1.1 Lending Policy

HDFC Credila's Credit Policy and Standard Operating Procedures are guiding documents for the lending operations of the company. The documents have been created to ensure a structured and robust process is followed for all activities involved in the loan lifecycle. The objective of the documents is to provide a framework for efficient and standardized lending process whilst ensuring customer satisfaction, risk mitigation, and regulatory compliance.

The key aspects of the lending operations are outlined below:

- I. Sourcing of Loans
- II. Education Loan Products and Features
- III. Loan Approval Process – Credit and KYC documentation
- IV. Disbursement Process and Post Disbursement Activities
- V. Risk Management and Monitoring
- VI. Grievance Redressal Mechanism

The Credit policy also covers the general terms & conditions and documentation required for each product.

Below is the summary of the loan products and the processes followed across the loan transaction cycle.

I. Sourcing of Loans

A loan application is sourced through various channels such as education consultants, test preparation centres, informational webinars, business associates etc. Based on documents provided either in digital or in physical form, initial screening of documents and detailed data entry is done on system.

II. Education Loan Products and Features

Education loan products of HDFC Credila can be availed by any Resident or Non-Resident Indian for higher education in India or overseas under a wide range of courses, colleges, universities, and streams. Education loans are funded up to 100% of tuition fee, living cost and other expenses such as books, air tickets etc. The funding depends on cost of education, course duration and type. The company offers both secured and unsecured loans – the type of loan offered depends on several factors which are analyzed during the credit appraisal process. There are varieties of products that cater education courses in India as well as overseas as well as different type of customer profiles.

III. Loan Approval Process - Credit and KYC documentation

All the education loan products seek to address specific requirements and profile of the customers and operate within the norms specified by the regulator. The regulatory guidelines determine the

KYC, PMLA and other requirements etc. While these guidelines are applicable to all loans, some of the product attributes are distinct basis the term, applicable fees, maximum loan etc. basis the commercial and risk perception of the company.

All loans are appraised by the Credit teams of respective locations post initial document fulfillment by sales team. The appraisal process for determining the loan eligibility involves underwriting of the submitted documents and undertaking various checks to ensure authenticity of the documents, genuineness of the transaction and compliance with all regulations. The various policy guidelines as issued by RBI on KYC, CKYC, PMLA, etc. are adhered to during the appraisal process.

Review of the loan application, credit and property documents (in the case of loans secured by property) by HDFC Credila's credit appraiser is supported by the above checks and personal discussion with the applicant/s (if required) to determine the loan eligibility. The review is based on the assessment of student education qualifications and scores in entrance/other college related exams, Co-borrowers repayment capacity by estimating the income and obligations, savings and investment history, ability to fund the balance cost of education (i.e. total cost of education less the loan amount) and banking history.

The loan proposal is appraised holistically considering the student qualification and type of course to be undertaken for future job prospects, source of own contribution for balance funds, location and type of college/university etc.

The loan eligibility of a customer is dependent on the ability to service the loan obligation. The ability to pay is a factor of the quantum and consistency of income of the coborrower/s. The source of the income, frequency, and continuity of the income stream is also considered when loan eligibility is determined.

Apart from credit underwriting, there are various checks undertaken during the approval process. The additional checks are:

- PAN Number verification from NSDL website:
- Cross validation of customer information from CKYC Database
- Customer de-dupe Process
- CERSAI check
- Online check on the Traces and EPFO websites
- Credit Bureau Reports (CIBIL/Experian/Hunter etc.)
- Residence and employment verification
- Risk Containment Unit (RCU)

All education loans are appraised by the credit teams at the concerned locations. Loans are recommended by credit appraisers and approved by a relevant authority, in line with the Board approved authority matrix.

The approving authority is based on loan amount, type of product (secured/unsecured) and country/course of study.

In compliance with the RBI guidelines, the KYC documents of all customers are received and verified from original prior to the disbursement of the loan.

In essence, the loan appraisal process includes:

1. *Identification of risk:* This is done through documentation and information acquisition (from customers), reviewing various reports such as CIBIL etc. and personal discussions. The risk is assessed on factors like age, qualification of student and co-borrower/s stability of employment, number of dependents, income levels as well as savings and investments history. This determines a customer's inclination to repay.
2. *Quantification of risk:* This involves extensive evaluation of the coborrower's current financial condition and capacity to pay. The source of income along with the frequency, consistency and continuity of income flow is assessed. The existing liabilities of the coborrower's are also considered.
3. *Hedging of Risk:* Once a customer's ability and inclination to pay is determined, the need for any additional security required to hedge the risk further in terms of fixed deposits or property that may be ascertained.

Technical Evaluation and Legal Documentation

HDFC Credila offers diverse education loan products including secured education loans i.e. secured against collateral, which could be in the form of property and/or fixed deposits. If property is taken as collateral, said property is kept as security with HDFC Credila for loan tenure and appropriate evaluation of the property is carried out. The process involves technical and legal compliance which is undertaken during loan sanction. The property is checked through registered valuer verifying construction quality, area, dimensions, and clearance as per local by laws. Similarly, the property documents are verified by external lawyer to ensure title is clear, encumbrance free and can be mortgaged to HDFC Credila.

IV. Disbursement Process and Post Disbursement Activities

The disbursement process entails actual disbursement/remittance of funds to borrower. The process involves successful completion of loan formalities and other related documents which includes

- Disbursement request form duly submitted by all applicants
- Completion of the below:
 - Legal & Technical due diligence
 - KYC requirements
 - Physical ACH mandate/e-NACH activation
 - Collection of Origination Fees

For secured cases, the below additional requirements are to be completed:

- HDFC Second charge cases - charge is created and NOC is issued by HDFC Ltd.
- Fixed Deposit - Original Fixed Deposit Receipt (FDR) and Lien letter are collected along with Power of Attorney (POA) and Pledge Agreement duly signed by FD holder

Post Disbursement Activities

Once the loan is disbursed, the borrower's file is sent for storage. Any pending documents [marked as "Post Disbursement Documents" (PDDs) in the system] are tracked and updated in the system/docket once submitted by the borrower.

V. Risk Management and Monitoring

HDFC Credila has a robust risk management framework which assesses risks (and the mitigants) at the appraisal level.

The Risk Management Committee meets on a quarterly basis to assess these specific risks, grading them from high to low.

HDFC Credila also has an internal audit team which audits implementation of processes and policy compliance and shares feedback with branches for taking corrective action or a change in the process. These reports are also discussed at the Audit Committee.

VI. Grievance Redressal Mechanism

HDFC Credila is committed to providing effective and prompt service to its customers. The company has enabled access to grievance redressal mechanism in both online and offline modes. In addition, social media platforms are also monitored to identify customer grievances and negative feedback.

The Company has established a tiered escalation process to ensure all complaints are handled by an appropriate authority:

- Level 1 - Complaints received shall initially be addressed by the Service Desk (SD) within 10 working days. If the grievance is not resolved to the satisfaction of the customer within this timeframe, the SD forwards the same to the Grievance Officer (GO).
- Level 2 - If the customer is not satisfied with the resolution at Level 1, he/she may approach the Grievance Redressal Officer (GRO) with reference to the Application ID.
- Level 3 - In case the complaint is not addressed to the customer's satisfaction, within one month from date of original complaint, he/ she may appeal to the Officer In Charge of Regional Office of Department of Non-Banking Supervision (DNBS) of RBI.

The aim of this structure is to efficiently record and redress grievances from customers within stipulated timeframes. It also helps in enhancing delivery and service standards.

1.2 Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.

The Company has not provided any loans/advances to associates, entities/person relating to the board, senior management except as provided for in the note titled "Related Party Disclosures" on page 133 (Note 37) in the Annual report of the Company.

1.3 Classification of loans and advances

a) By Ticket size at the time of origination:

S. No	Ticket size	Percentage of AUM
1	Upto Rs. 2 lakh	0.06%
2	Rs. 2-5 lakh	1.00%
3	Rs. 5-10 lakh	5.97%
4	Rs. 10-25 lakh	47.40%

5	Rs. 25-50 lakh	42.27%
6	Rs. 50 lakh-1 crore	3.10%
7	Rs. 1-5 crore	0.19%
8	Rs. 5-25 crore	-
9	Rs. 25-100 crore	-
10	>Rs. 100 crore	-
	Total	100.00%

b) By Loan to Value (LTV) at the time of origination:

S. No	LTV	Percentage of AUM
1	Upto 40%	11.58%
2	40-50%	4.63%
3	50-60%	4.49%
4	60-70%	4.12%
5	70-80%	3.76%
6	80-90%	2.77%
7	>90%	10.79%
	Total	42.15%

Note: AUM for secured loans.

1.4 Aggregated exposure to top 20 borrowers

a) Details of top 20 borrowers advances with respect to concentration of advances as on 31 March 2021:

Particulars	Amount (Rs. in Crores)
Total advances to twenty largest borrowers	19.76
Percentage of advances to twenty largest borrowers to total advances to our Company	0.32%

b) Details of top 20 borrowers exposure with respect to concentration of exposures [on limit basis or outstanding basis whichever is higher] as on 31 March 2021:

Particulars	Amount (Rs. in Crores)
Total exposure to twenty largest borrowers/customers	21.04
Percentage of exposures to twenty largest borrowers/customers to Total exposure of the NBFC on borrowers/customers	0.30%

1.5 Details of loans, overdue and classified as Non performing assets (NPA)

Movement of Gross NPA	Amount (Rs. in Lakhs)
Opening Gross NPA	756.55

- Additions during the year	1,177.37
- Reductions during the year	(263.07)
Closing balance of Gross NPA	1,670.85

Note: Gross NPAs is as per the RBI IRACP norms. Stage 3 assets as on March 31, 2021 were at Rs. 3,735.10 lakhs which includes cases restructured under the RBI's Resolution Framework on Covid-19 related stress, conservatively classified as Stage 3.

Gross NPA recognition policy (DPD):

The Company recognizes Gross NPAs as per the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

Movement of provisions for NPA	Amount (Rs. in Lakhs)
Opening balance	265.04
- Provisions made during the year	267.87
- Write-off / Write-back of excess provisions	(26.31)
Closing balance	506.60

Note: The above provision required for NPA as per the RBI IRACP norms.

On Stage 3 assets of Rs. 3,735.10 lakhs as on March 31, 2021, the Company carries a total provision of Rs. 1,220.34 lakhs as per the Expected Credit Loss model under the Indian Accounting Standards.

2. Details of borrowings made by NBFC

2.1 Portfolio Summary of borrowings made by NBFC

Instrument / product	Amount (Rs. in Crores)
Term Loans from Banks	2,080.99
Secured Non Convertible Debentures	1,777.12
External Commercial Borrowings	730.43
Subordinated Tier II Non convertible debentures	335.52
Perpetual debt instruments to the extent that do not qualify as equity	269.92
Commercial Paper	74.32
Overdrafts and Working Capital Limits	2.31
Total Borrowings	5,270.60

2.2 Quantum and percentage of Secured vs. Unsecured borrowings

Types of Borrowings	Amount (Rs. in Crores)
Secured Borrowings	4,590.85
Unsecured Borrowings	679.75

Total Borrowings	5,270.60
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3. Details of change in shareholding

3.1 Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India

Nil

4. Disclosure of Assets under management

4.1 Segment wise break up

S. No	Segment-wise break-up of AUM	Percentage of AUM
1	Retail	100%
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	-
F	MFI	-
E	M&SME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	-
h	Education Loans	100%
2	Wholesale	0%
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	100%

4.2 Type of loans

S. No	Type of loans	Amount (Rs. in Crore)
1	Secured	2,600.69
2	Unsecured	3,666.27
	Less : Impairment Loss Allowance	(36.54)
	Total assets under management (AUM) *	6,230.42

5. Details of borrowers

5.1 Geographical location wise

S. No	Top 5 states	Percentage of AUM
1	Maharashtra	31.37%
2	Telangana	13.85%
3	Delhi NCR	11.67%
4	Tamil Nadu	11.45%
5	Karnataka	10.96%
	Total	79.30%

6. Details of Gross NPA

6.1 Segment wise

S. No	Segment-wise gross NPA *	Gross NPA* (%)
1	Retail	0.27%
A	Mortgages (home loans and loans against property)	-
B	Gold loans	-
C	Vehicle finance	-
D	MFI	-
E	M&SME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	-
H	Education Loans	0.27%
2	Wholesale	0.00%
A	Infrastructure	-
B	Real estate (including builder loans)	-
C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	0.27%

7. Details of Assets and Liabilities

7.1 Residual maturity profile wise into several bucket

Particulars Amount (Rs. in Lakhs)	Up to 30/31 days	>1 month - 2 months	>2 months - 3 months	>3 months - 6 months	>6 months - 1 year	>1 years - 3 years	>3 years - 5 years	>5 years	Total
Deposit	-	-	-	-	-	-	-	-	-
Advances	12,201	10,612	10,494	31,182	60,600	213,001	143,623	143,761	625,475
Investments	17,884	-	-	-	-	-	2,994	-	20,878
Borrowings ²	3,062	207	7,741	7,366	32,933	115,207	162,860	133,985	463,360
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	39	-	-	-	-	73,043	-	-	73,082

¹ Based on the refinance and prepayment assumptions approved by the ALCO.

² Includes interest accrued but not due on borrowings

8. Disclosure of latest ALM statements to stock exchange

The same is available on the website of the Company at the below link
<http://www.hdfccredila.com/financials/2021-22/bse/7-asset-liability-management-alm-statement.pdf>

SECTION 8: DISCLOSURE REGARDING WILFUL DEFAULTERS

8.1 Disclosures pertaining to wilful defaulter:

- (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 – Not Applicable
- (c) Outstanding amount when the entity is declared as a wilful defaulter - Not Applicable
- (d) Name of the entity declared as a wilful defaulter - Not Applicable
- (e) Steps taken, if any, for the removal from the list of wilful defaulters - Not Applicable
- (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

8.2 We confirm that that the Issuer or any of its promoters or directors has not been declared as a Wilful Defaulter under the applicable laws.

SECTION 9 : ADDITIONAL DISCLOSURES AS REQUIRED UNDER FORM PAS 4 PRESCRIBED UNDER THE COMPANIES ACT 2013, TO THE EXTENT APPLICABLE TO THE ISSUE

- (a) Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder.- No
- (b) Relevant date with reference to which the price has been arrived at : Issued at face value
- (c) The class or classes of persons to whom the allotment is proposed to be made:
Refer Clause 10.14 of the IM
- (d) The change in control, if any, in the company that would occur consequent to the private placement- No change/N.A
- (e) The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price: Nil
- (f) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer; N.A
- (g) The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations – No such orders received
- (h) The pre-issue and post-issue shareholding pattern of the company : Not Applicable as the NCDs being issued

SECTION 10 OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

10.1 Mode of Transfer/Transmission of Debentures

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

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

10.2 Debentures held in Dematerialised Form

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

The list of beneficiaries as of the 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 EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

10.3 Trustee for the Debenture Holder(s)

The Issuer has appointed IDBI Trusteeship Services Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trust Agreement, the Debenture Trust Deed, the Deed of Hypothecation and/or any other security documents *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer

to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and yield thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement, the Debenture Trust Deed, the Deed of Hypothecation and/or any other security documents at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

10.4 Sharing of Information

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

10.5 Debenture Holder not a Shareholder

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

10.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders, provided that nothing in such approval shall be operative against the Issuer where such approval modifies or varies the terms and conditions of the Debentures which are not acceptable to the Issuer.

For the avoidance of doubt, in the event of any proposed amendment to the terms and conditions of the Debentures or the Transaction Documents, the consent of Majority Debenture Holders shall be obtained, either by the Majority Debenture Holders providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders.

10.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

10.8 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) calendar days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; or (d) in the case of personal delivery, at the time of delivery.

10.9 Issue Procedure

Only Eligible Investors as given hereunder and identified upfront by the Issuer may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer as per the details mentioned in the Application Form.

10.10 Application Procedure

Eligible investors will be invited to subscribe by way of the Application Form prescribed in the Information Memorandum during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive). The Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The issue is being made via Electronic Bond Platform and all the participants are expected to comply with the SEBI Circular no: SEBI/HO/DDHS/CIR/P/2018/05 on January 05, 2018, Updated Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism issued by BSE on April 24, 2018, Circular on Revised timings for funds settlement process for bids placed on Electronic Book Provider (EBP) platform issued by ICCL on April 25, 2018 and Circular on Role and Responsibilities of Participants of BSEBOND (Electronic Book Platform) issued by BSE on May 23, 2018 as may be amended / updated from time to time.

10.11 Fictitious Applications

All fictitious applications will be rejected.

10.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. 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.

10.13 Payment Instructions

The Application Form should be submitted directly or through the Sole Arranger. The entire amount of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture is payable along with the making of an application. Applicants can remit the application amount through RTGS on Pay-in Date.

In case the payment is made in RTGS the Funds must be credited to the Designated Bank Accounts of ICCL are as under:

ICICI Bank:

Beneficiary Name: INDIAN CLEARING CORPORATION LTD

Account Number: ICCLEB

IFSC Code: ICIC0000106

Mode: NEFT/RTGS

YES Bank:

Beneficiary Name: INDIAN CLEARING CORPORATION LTD

Account Number: ICCLEB

IFSC Code: YESB0CMSNOC

Mode: NEFT/RTGS

HDFC Bank

Beneficiary Name: INDIAN CLEARING CORPORATION LTD

Account Number: ICCLEB

IFSC Code : HDFC0000060

Mode: NEFT/RTGS

10.14 Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- (a) Commercial Banks
- (b) Mutual Funds
- (c) Financial Institutions
- (d) Provident Funds/Trusts
- (e) Pension Funds/Trusts
- (f) Gratuity Funds/Trusts
- (g) Superannuation Funds/Trusts

- (h) Corporates
- (i) Foreign Institutional Investors (FIIs)
- (j) Qualified Foreign Investors (QFIs)
- (k) Insurance Companies / Corporations
- (l) Investment holding companies of high net worth individuals
- (m) Any other person eligible to invest in the Debentures subject to the relevant prescribed regulations.

All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

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

The Debentures are and have been placed on a private placement basis and shall not be issued to more than two hundred (200) Eligible Investors.

10.15 Procedure for Applying for Dematerialised Facility

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

- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

10.16 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of the Debentures in dematerialised form.

10.17 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

10.18 Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

10.19 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated 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

10.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories. Thumb impressions must be attested by an authorized official of a bank or by a Magistrate / Notary Public under his / her official seal.
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including RTGS details)

10.21 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

10.22 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

Where a non-resident Indian becomes entitled to a Debenture by way of succession, the following steps have to be complied with:

- (a) Necessary approval of the RBI under applicable FEMA regulations to be obtained by the successor;
- (b) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the non-resident Indian as part of the legacy left by the deceased Debenture Holder;
- (c) Proof that the non-resident Indian is an Indian national or is of Indian origin.

Such holding by the non-resident Indian shall be on a non-repatriation basis.

10.23 Mode of Payment

All payments must be made through EFT/RTGS as set out in the Application Form.

10.24 Effect of Holidays

If the due date for any coupon falls on a Sunday or a day which is a bank holiday in Mumbai, then the immediately succeeding Business Day shall be the due date for such payment.

If any other due date for all other monies payable in respect of the Issue falls on a Sunday or a day which is a bank holiday in Mumbai then the immediately preceding Business Day shall be the due date for such payment.

The Coupon / redemption payments shall be made only on the days when the money market is functioning in Mumbai.

10.25 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holders at the office of the Registrar & Transfer Agents of the Company at least 15 (Fifteen) days before the relevant 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.

10.26 Letters of Allotment

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

10.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is February 01, 2022 by which date the Investors would be intimated of allotment.

10.28 Record Date

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

10.29 Refunds

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

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar

shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

10.30 Interest on Application Money

Interest shall be payable on all application monies received at the Coupon Rate as defined in the Term Sheet from the date of realization of the application monies by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.

10.31 PAN Number

Every applicant should mention its Permanent Account Number (“PAN”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

10.32 Payment on Redemption

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

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

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

Disclaimer: Please note that only those persons to whom this memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer 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. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

SECTION 11: DECLARATION

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

We further declare that:

- a. The company is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations
- b. made thereunder
- c. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- d. The monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;
- e. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

NOTE TO INVESTORS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of 'Risk Factors' contained under Section 4 of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

For **HDFC Credila Financial Services Limited**
(Formerly known as HDFC Credila Financial Services Private Limited)

ARIJIT SANYAL Digitally signed by ARIJIT SANYAL
Date: 2022.01.27 15:56:54 +05'30'

Authorised Signatory
Name: **Mr. Arijit Sanyal**
Title: **Managing Director & CEO**

Date: January 27, 2022

ANNEXURE I: TERM SHEET

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	7.50% HDFC Credila, January 30, 2032
Issuer	HDFC Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Private Limited)
Type of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Private placement
Eligible/Identified Investors	Only persons who are specifically addressed through a communication are eligible to apply for the debentures. No other person can apply. Please refer Clause 10.14 of the Information Memorandum.
Listing	<p>To be listed on the Wholesale Debt Market (WDM) Segment of the BSE Limited within a maximum period of 4 (four) trading days from the Issue Closing Date.</p> <p>In accordance with the SEBI NCD Regulations, in case of delay in listing of Debentures beyond 4 (four) trading days from the Issue Closing Date, the Company shall (i) make payment to the Debenture holders of 1% (One Percent) per annum over the Coupon Rate from the for the Deemed Date of Allotment till the listing of the Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from BSE Limited.</p> <p>With reference to the Notification bearing No. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of Foreign Institutional Investor (FII) investment in ‘to be listed’ debt securities, the Company confirms that the debentures would be listed within 15 days from the deemed date of allotment. In case the debentures issued to the SEBI registered FIIs / sub account of FIIs are not listed within 15 days from the deemed date of allotment, for any reason, then the Company would immediately redeem / buyback the debentures from the FIIs/sub-account of FIIs.</p>
Rating of Instrument	“CRISIL AAA” by CRISIL Ltd. and “CARE AAA” by CARE Ltd.
Issue Size	Rs. 200,00,00,000/- (Rupees Two Hundred Crore only)
Minimum Subscription	Rs. 1,00,00,000/- (Rupees One Crore Only)
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue	The funds being raised by the Company through present issue of Debentures are not meant for financing any particular project. The

	Company shall utilize the proceeds of the Issue for its regular business activities including utilization of proceeds for disbursement to meet the finance requirements of the borrowers of the Company and other associated business objectives such as discharging existing debt obligations which were generally undertaken for business operations. Please refer Clause 6.26 of the Information Memorandum.
Details of the utilization of the Proceeds	The funds will be utilized for disbursement of education loans and /or for repayment of existing debt obligations. Further, pending utilization, the issue proceeds may be invested as approved from time to time in the ordinary course of business, in fixed deposits with banks, mutual fund units, etc.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	The proceeds of the Issue will not be utilised for providing loans to any group company.
Coupon Rate	7.50% (Seven Point Five Zero Percent) per annum payable annually (withholding taxes as applicable)
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual
Coupon Payment Dates	Annually on February 01, 2023, February 01, 2024, February 01, 2025, February 02, 2026, February 01, 2027, February 01, 2028, February 01, 2029, February 01, 2030, February 01, 2031 & January 30, 2032
Coupon Type (fixed, floating or other structure)	Fixed Coupon Rate
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	N.A.
Day Count Basis	Actual / Actual
Interest on Application Money	Not Applicable
Default Interest Rate	In the event of a payment default of the amounts due under this Issue, the Issuer shall pay an additional interest of at least 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, for the defaulting period.
Tenor	9 Years & 363 Days
Redemption Date	January 30, 2032
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture on the Redemption Date plus accrued coupon if any.
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	N.A.

Put Date	N.A.
Put Price	N.A.
Call Date	N.A.
Call Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	Rs. 10,00,000 /- (Rupees Ten Lakhs Only) per Debenture
Minimum Application size	10 Debentures and in multiples of 1 Debentures thereafter
Issue Timing	10:30 AM to 11:30 AM
Issue / Bid Opening Date	January 31, 2022
Issue / Bid Closing Date	January 31, 2022
Date of earliest closing of the issue, if any	January 31, 2022
Pay-in Date	February 01, 2022
Deemed Date of Allotment	February 01, 2022
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	<p>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the eligible investors (whose bids have been accepted) as registered with EBP into the account of the relevant Clearing Corporation, in accordance with the procedure and timelines prescribed in the Electronic Book Mechanism Guidelines and the Operational Guidelines of the EBP.</p> <p>For amounts payable by the Issuer to any Debenture Holder pursuant to the terms of the Transaction Documents, Cheque(s) / Demand Draft / electronic clearing services / credit through RTGS / NEFT system / funds transfer to the specified bank account of the Debenture Holder shall be the mode of settlement.</p>
Depositories	NSDL/CDSL
Business Days	Means a day (other than a Sunday or a Bank holiday) on which banks are open for general business in Mumbai.
Business Day Convention	<p>If the due date for any Coupon falls on a Sunday or a day which is a bank holiday in Mumbai, then the immediately succeeding Business Day shall be the due date for such payment.</p> <p>If any other due date for all other monies payable under this Deed falls on a Sunday or a day which is a bank holiday in Mumbai then the immediately preceding Business Day shall be the due date for such payment.</p>
Disclosure of Interest / Dividend / redemption dates	Please see “Coupon Payment Dates” and “Redemption Date” sections.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date,

	which shall be the date falling 15 (fifteen) calendar days prior to any Coupon Payment Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	<p>The major covenants of the issue include:</p> <ul style="list-style-type: none"> • Interest rate, Computation of interest, payment of interest • Interest on application money • Business day, Record date • Redemption, payment of redemption amount • Listing and rating and • Mode of transfer of NCDs <p>For further details, please refer Annexure IV</p> <p>No side letters executed pursuant to the said issue.</p> <p>Accelerated Payment: The debentures can be accelerated on the occurrence of the “Event of Default”</p>
Description regarding Security (where applicable) including type of security (movable /immovable /tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.]	<p><i>pari passu</i> charge with other existing lenders on the loan receivables of the Company's underlying portfolio of loans having minimum asset cover of 1.05 times of the principal outstanding and interest accrued but not paid, to be maintained throughout the tenure of the Debentures.</p> <p>However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of the minimum Asset Cover.</p> <p>Likely date of creation of security: Within 4 days of Deemed Date of Allotment.</p> <p>Registration of charge on the security: To be done within 30 days of creation of such charge. The Debenture holder will not be paid any interest over and above the Coupon Rate as specified above.</p>
Transaction Documents	<p>Information Memorandum Rating Letters Trustee Consent Application Form Debenture Trustee Agreement Debenture Trust Deed Deed of Hypothecation</p>
Conditions Precedent to Disbursement	This transaction is subject to standard conditions precedent, including submission of this Disclosure Document/Information Memorandum to the BSE prior to listing
Conditions Subsequent to Disbursement	This transaction is subject to standard conditions subsequent, including submission of this Disclosure Document/Information Memorandum to the ROC and to SEBI and listing of the Debentures, within the stipulated statutory time-frames
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)]	<p>Following are certain Events which can be an Event of Default</p> <ul style="list-style-type: none"> • Default in redemption of debentures and payment of interest • Default in performance of covenants and conditions

	<ul style="list-style-type: none"> • Insolvency/inability to pay debts • Misrepresentation in the transaction document • Liquidation/ Dissolution of the Company <p>For further details on Events of default, please refer the Annexure “ IV” containing the covenants proposed to be included in debenture trust deed</p> <p><i>Voting</i> All voting in relation to the Debentures will be subject to the voting arrangements as specified in this Information Memorandum and the Debenture Trust Deed.</p> <p><i>Inter- Creditor Agreements</i> In accordance with the SEBI circular dated October 13, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 in relation to the standardisation of procedure to be followed by debenture trustees in case of default by issuers of listed debt securities, the Debenture Trustee shall not enter into any inter creditor arrangement unless agreed to in writing by 75% of the Debenture Holders (by outstanding Nominal Value) and 60% of the Debenture Holders (by number).</p>
Creation of recovery expense fund	The company has created a recovery expense fund in the manner as specified by the Securities and Exchange Board of India as on 26th February 2021 in favour of BSE limited and the same has been informed to the Debenture Trustee. The recovery expense fund shall be utilized for the purposes and in the manner as may be required under the applicable circulars / directions / notices / guidelines /regulations issued by SEBI from time to time
Conditions for breach of covenants	As per Debenture Trust Deed
Provisions related to Cross Default Clause	N.A.
Role and Responsibilities of Debenture Trustee	<p>Following are certain roles and responsibilities of the Debenture Trustee:</p> <ul style="list-style-type: none"> • Perform such acts as are necessary for the protection of the interest of the Debenture Holders and resolve the grievances of the Debenture Holders. • Follow up for redemption of Debentures in accordance with the Terms and Conditions of Debentures. • Call for quarterly reports certifying that the Security are sufficient to discharge the Interest and principal amount at all times and that such Security are free from any other encumbrances except as set out under this Deed. • In case the Company commits any breach of the terms of the Deed, the Debenture Trustee in consultation with the Debenture Holders shall take such reasonable steps as maybe necessary to remedy such breach. <p>For further details on roles and responsibilities of Debenture Trustee</p>

	and fees charged, please refer Annexure IV containing the covenants proposed to be included in debenture trust deed
Risk factors pertaining to the issue	As per Section 4 of the Information Memorandum
Governing Law and Jurisdiction	The Debentures and the Transaction Documents will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai.
Manner of Bidding	Close Book Bidding
Mode of Allotment	Uniform Yield
Mode of Settlement	Through Indian Clearing Corporation Limited (ICCL)

Notes

- a) If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed
- b) The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed
- c) While the debt securities are secured upto the minimum asset cover as per the terms of Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained

Illustration of Cash Flows	
Company	HDFC Credila Financial Services Limited
Face Value (per security)	Rs. 10,00,000 /- (Rupees Ten Lakhs only) per Debenture
Deemed Date of Allotment	Tuesday, February 01, 2022
Date of Redemption	Friday, January 30, 2032
Tenure and Coupon Rate	9 Years and 363 Days, 7.50% (Seven point Five Zero Percent) per annum (computed on a simple interest basis)
Frequency of the Coupon Payment with specified dates	Annually on February 01, 2023, February 01, 2024, February 01, 2025, February 02, 2026, February 01, 2027, February 01, 2028, February 01, 2029, February 01, 2030, February 01, 2031 & January 30, 2032
Day Count Convention	Actual / Actual

Cash Flows	Day and date for coupon / redemption becoming due	No. of Days for Denominator	Amount (in Rupees)
1 st Coupon	Wednesday, February 01, 2023	365	75,000
2 nd Coupon	Thursday, February 01, 2024	365	75,000
3 rd Coupon	Saturday, February 01, 2025	366	75,000
4 th Coupon	Monday, February 02, 2026	366	75,000
5 th Coupon	Monday, February 01, 2027	364	75,000
6 th Coupon	Tuesday, February 01, 2028	365	75,000
7 th Coupon	Thursday, February 01, 2029	366	75,000
8 th Coupon	Friday, February 01, 2030	365	75,000
9 th Coupon	Saturday, February 01, 2031	365	75,000
10 th Coupon	Friday, January 30, 2032	363	74,589

Principal	Friday, January 30, 2032		10,00,000
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The above table is illustrative and indicative. The actual dates and maturity amount will be in accordance and compliance with the SEBI's Operational Circular for issue and listing of Non-convertible Securities dated August 10, 2021 as amended from time to time.

ANNEXURE II: RATING LETTERS & RATING RATIONALES



No. CARE/BRO/RL/2021-22/1202

Shri Arjit Sanyal
 Chief Executive Officer
 HDFC Credila Financial Services Limited
 3rd Floor, Damodar Hall, Annexe Bldg,
 Dr. Babasaheb Ambedkar Road, Parel (East)
 Mumbai-400012

August 23, 2021

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed Non-convertible Debenture (NCD) issue aggregating to Rs.500 crore of your company.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Non Convertible Debentures	500.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Assigned
	Total Instruments	500.00 (Rs. Five Hundred Crore Only)		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is August 23, 2021).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Ltd.

4th Floor, Godrej Coliseum, Somajya Hospital Road, Off Eastern Express Highway, Slon (E), Mumbai - 400 022.
 Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457 • www.careratings.com • CIN-L67190MH1993PLC071691

7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure 2. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by August 25, 2021, we will proceed on the basis that you have no any comments to offer.
8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the lifetime of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
11. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
12. CARE ratings are not recommendations to buy, sell or hold any securities.
13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

CARE Ratings Ltd.

4th Floor, Godrej Coliseum, Somajya Hospital Road, Off Eastern Express Highway, Slon (E), Mumbai - 400 022.
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457 • www.careratings.com • CIN-L67190MH1993PLC071691

Thanking you,

Yours faithfully,



Janet Felsia Thomas
Assistant Director
janet.thomas@careratings.com



Sudhakar P
Director
p.sudhakar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure 1

Details of Rated Instrument:

1.A. Proposed Non-Convertible Debenture issue

ISIN	Coupon rate	Date of issuance	Maturity date	Issue size (Rs. crore)	Tenure
-	-	-	-	500.0	-

Total facilities [1.A] = Rs. 500.0 crore



No. CARE/BRO/RL/2021-22/1364

Shri Arjit Sanyal
Chief Executive Officer
HDFC Credila Financial Services Limited
 3rd Floor, Damodar Hall, Annexe Bldg,
 Dr. Babasaheb Ambedkar Road, Parel (East)
 Mumbai, Maharashtra 400012

January 24, 2022

Confidential

Dear Sir,

Credit rating for Non-Convertible Debentures Issue

Please refer to our letter no. CARE/HO/RL/2021-22/2942 dated November 19, 2021 and your request for revalidation of the rating assigned to the non-convertible debentures of the company, for a limit of Rs.950.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Non-Convertible Debentures	200.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
2.	Non-Convertible Debentures	250.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
3.	Non-Convertible Debentures	500.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
	Total Instruments	950.00 (Rs. Nine Hundred Fifty Crore Only)		

- The NCDs are repayable as per Annexure-I.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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- CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
- CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.
 CARE Ratings Limited

instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
9. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
10. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Tony Mathew
Lead Analyst
tony.mathew@careedge.in



Janet Felsia Thomas
Assistant Director
janet.thomas@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure-I
Details of rated instruments

1. A. Secured NCD

ISIN	Coupon rate	Date of issuance	Maturity date	Issue size (Rs. crore)
INES39K07064	8.00%	27-Feb-17	25-Feb-22	200.0
INES39K07189	7.23%	02-Aug-21	01-Aug-31	250.0
INES39K07197	4.97%	25-Nov-21	25-Nov-24	300.0
Proposed	-	-	-	200.0

Total facilities (1.A) = Rs. 950.0 crore

CARE Ratings Limited

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CRISIL

An S&P Global Company

RL/CFSL/276894/NCD/0821/16180/97414017
August 23, 2021

Mr. Laxmikant Tople
Vice President
HDFC Credila Financial Services Limited
B 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road
Andheri (East),
Mumbai City - 400059

Dear Mr. Laxmikant Tople,

Re: CRISIL Rating on the Rs.500 Crore Non Convertible Debentures of HDFC Credila Financial Services Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating on the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.


As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,


Malvika Bhotika
Associate Director - CRISIL Ratings


Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisil.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301.

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: CRISIL House, Central Avenue, Hirandani Business Park, Powai, Mumbai-400 076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800
www.crisilratings.com

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RL/CFSL/276894/NCD/0821/16177/74512555/1
November 15, 2021

Mr. Laxmikant Tople
Vice President
HDFC Credila Financial Services Limited
B 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road
Andheri (East),
Mumbai City - 400059

Dear Mr. Laxmikant Tople,

Re: CRISIL Rating on the Non Convertible Debentures Aggregating Rs.1800 Crore of HDFC Credila Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review. Please refer to our rating letter dated August 23, 2021 bearing Ref. no: RL/CFSL/276894/NCD/0821/16177/74512555

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non Convertible Debentures	1800	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crsil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crsil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Mahika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpline at CRISILratings@crsil.com or at 1800-267-1301.

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326267

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076, Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

Ratings



CONFIDENTIAL

RL/CFSL/276894/NCD/0821/16180/97414017/2
January 25, 2022

Mr. Laxmikant Tople
Vice President
HDFC Credila Financial Services Limited
B 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road
Andheri (East),
Mumbai City - 400059

Dear Mr. Laxmikant Tople,

Re: CRISIL Rating on the Rs.500 Crore Non Convertible Debentures of HDFC Credila Financial Services Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated November 15, 2021 bearing Ref. no: RL/CFSL/276894/NCD/0821/16180/97414017/1

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non Convertible Debentures	500	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

Yours sincerely,

Malvika Bhotika
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpline at CRISIL ratingdesk@crisil.com or at 1800-267-1301

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

ANNEXURE III: CONSENT LETTER & DUE DILIGENCE CERTIFICATE FROM THE DEBENTURE TRUSTEE

IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154



No.38715/ITSL/OPR/CL/2021-22/DEB/1266
January 27, 2022

To,
Ms. Akanksha Kandoi
Company Secretary
HDFC Credila Financial Services Ltd.
B 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road, Andheri (East), Mumbai 400 059

Dear Madam,

Consent to act as Debenture Trustee for Secured Listed Non-Convertible Debentures (NCDs) of Rs.200 crore.

This is with reference to the e-mail dated 21.01.2022 from your company on appointment of IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee for Secured Listed Non-Convertible Debentures (NCDs) of Rs.200 crore.

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

Acceptance fees	Rs.2,00,000 (plus applicable taxes) onetime payment payable upfront;
Service charges	Rs.3,00,000/- p.a. (plus applicable taxes). First such payment would become payable immediately for pro-rata period from execution of Trustee Agreement till 31.03.2022; thereafter the Service Charges are payable on an annual basis in advance on 1st April every year till full redemption of NCDs.
Delay Payment Charges	In case the payment of service charges not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% p.a. on the outstanding amount.
Out of Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis within 30 days of the claim.
Validity:	i) This Consent Letter shall not be construed as giving rise to any obligation on the part of IDBI Trusteeship Services Ltd. to act as Debenture Trustees unless the Company communicates acceptance to IDBI Trusteeship Services Ltd within 3 days from the date of issuance of this letter. ii) This Consent letter is valid for a period of three (3) months from the date of this letter unless the validity of the same is extended by ITSL iii) the Issuer Company executes Trusteeship documents including Security Documents within the stipulated time as per the offer document or as per applicable law.
Reset Clause	Service charges on expiry of 3 years from the date of this consent letter shall be reviewed mutually by the Company and the Trustee for the upward revision in fees
Enforcement Charges	Minimum Rs.5,00,000/- plus taxes excluding litigation/other expenses which will be on actual basis

Assure you of our best services at all times.

Yours faithfully,
For IDBI Trusteeship Services Limited

we accept the above terms
for HDFC Credila Financial Services Ltd


(Authorized Signatory)
NAME:
DESIGNATION:

(Authorized Signatory)
NAME:
DESIGNATION:

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

IDBI Trusteeship Services Ltd.

CIN : U65991MH2001GOI131154



No.38715/ITSL/OPR/CL/2021-22/DEB/1266
January 27, 2022

To,
Ms. Akanksha Kandoi
Company Secretary
HDFC Credila Financial Services Ltd.
B 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road, Andheri (East), Mumbai 400 059

Dear Madam,

Consent to act as Debenture Trustee for Secured Listed Non-Convertible Debentures (NCDs) of Rs.200 crore.

This is with reference to the e-mail dated 21.01.2022 from your company on appointment of IDBI Trusteeship Services Limited (ITSL) as Debenture Trustee for Secured Listed Non-Convertible Debentures (NCDs) of Rs.200 crore.

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

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

HDFC Credila Financial Services Ltd. shall enter into Debenture Trustee Agreement for the said issue of the NCDs.

Thanking you,

Yours faithfully,
For **IDBI Trusteeship Services Limited**


Authorised Signatory

Annexure A

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

For IDBI Trusteeship Services Limited


Authorised Signatory



DUE DILIGENCE CERTIFICATE

IDBI Trusteeship Services Ltd.
CIN : U65991MH2001GOI131154



38716-A/ITSL/OPR/2021-22

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

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

Dear Sir/Madam,

SUB: The total issue size aggregating upto INR 200 crores issued by HDFC Credila Financial Services Limited.

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

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property (ies).
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

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

PLACE: Mumbai
DATE: January 27, 2022

For IDBI Trusteeship Services Limited



Authorised Signatory

ANNEXURE IV: COVENANTS OF DEBENTURE TRUSTEE AGREEMENT & DEBENTURE TRUST DEED PROPOSED TO BE ENTERED

COVENANTS OF DEBENTURE TRUST DEED

AMOUNT AND TERMS OF DEBENTURES

1.1 The Company covenants with the Trustee that it shall pay to the Debenture Holder(s) the applicable Coupon in respect of the Debentures on the Coupon Payment Date and shall also pay all other amounts due, including the principal on Principal Payment Date, in respect of the Debentures as stipulated in accordance with the Deed and in accordance with the Financial Covenants and Conditions set out therein. The Company shall make / release all payments due by the Company in terms of the Transaction Documents to the Debenture Holders in proportion to their dues.

1.2 ALLOTMENT OF DEBENTURES

The Debentures will be deemed to be allotted to the Debenture Holders on “**Deemed Date of Allotment**”). All benefits relating to the Debentures will be available to the Debenture Holders from the Deemed Date of Allotment.

1.3 COUPON AND INTEREST ON APPLICATION MONEY

(i) **Interest on application money**

Interest at the Coupon Rate (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) will be paid on application money to the applicants from the date of realization of the cheques/drafts up to 1 (One) day prior to the Deemed Date of Allotment for all valid applications, within 7 (Seven) Business Days from the Deemed Date of Allotment. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the refund orders. Where an applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on the application will be refunded to the applicant and the cheque towards interest on the refunded money will be dispatched by registered post, courier or by way of RTGS/NEFT/Direct Credit. Details of allotment will be sent to every successful applicant. In all cases, the interest instruments will be sent, at the sole risk of the applicant / first applicant.

(ii) **Coupon on Debentures**

Coupon on the Outstanding Principal Amount shall accrue at the Coupon Rate daily from the Deemed Date of Allotment until the Debentures are repaid in full. Coupon shall be payable annually in arrears on each Coupon Payment Date as specified in Schedule II.

The Company shall furnish the details of payments made to the Debenture Holder's containing the following towards the payment of interest:

- i) Names of the Debenture Holder's.
- ii) Amount paid

- iii) Date of payment
- iv) Mode of payment (NEFT/DD/Cheque etc)

(iii) Payment of Coupon

Coupon will be paid to the Debenture Holders subject to deduction of tax deducted at source (where applicable) at the rate prescribed from time to time under the Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time-being in force.

(iv) Change of Tax Deducted at Source

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holders, the Company must give written notice to the Debenture Holders as soon as it becomes aware of such change.

If the applicable rate of tax deducted at source is modified and results in a reduction of the net interest received by the Debenture Holders, the Company shall pay the net amount to the Debenture Holders after deduction of applicable tax. For the amount of Tax Deducted the Company shall issue Form 16A or other applicable form to the Debenture Holders.

1.4 DEFAULT INTEREST

a. Default in Payment and Other Defaults

If, at any time, there shall be a Payment Default or Event of Default, the Company agrees to pay an additional interest rate of 2% (Two percent) per annum above the Coupon Rate on the Outstanding Principal Amount from the date of the occurrence of the Payment Default or Event of Default until such Payment Default or Event of Default is cured or the Debentures are redeemed pursuant to such default, whichever is applicable.

b. Delay in Listing

In the event of a delay in listing of the Debentures beyond 4 (four) trading days of the Issue Closing Date, the Company will pay to the Investor penal interest of 1% p.a. (one percent per annum) over the Coupon Rate from the Deemed Date of Allotment until the listing of the Debentures.

c. Delay in execution of Debenture Trust Deed

If not already executed, the Company shall execute the Debenture Trust Deed within the timelines prescribed by SEBI. In case of a delay in execution of Debenture Trust Deed, the Company will pay penal interest of at least 2% p.a. (two percent per annum) over the Coupon Rate till the execution of Debenture Trust Deed.

1.5 COMPUTATION OF COUPON AND OTHER CHARGES

Coupon and all other charges shall accrue based on actual/actual day count convention.

1.6 SECURITY

The Debentures shall be secured by way of *pari passu* charge to be created pursuant to the deed of hypothecation to be executed between the Company and the Trustee (“**Deed of Hypothecation**”) with other existing lenders on the loan receivables of the company's underlying portfolio of loans (together the “**Hypothecated Property**”) having minimum asset cover of 1.05 times of the principal outstanding and interest accrued but not paid, to be maintained throughout the tenure of the Debentures in favour of the Debenture Trustee acting in trust for, on behalf of and for the benefit of the Debenture Holders until all the Secured Obligations (“**Asset cover**”) in relation to the Debentures are satisfied by the Company as more particularly described in the Deed of Hypothecation. The Company shall create the security, as mentioned above, prior to the listing of the debentures issue.

Notwithstanding anything contained in the Deed or the other Transaction Documents, the Company shall be entitled to create security on Loan receivables of the company's underlying portfolio of loans and related collaterals on a *pari passu* basis in favour of any Person as and by way of security for any further financial indebtedness (including in the form of debentures) which may be incurred by the Company (“**Other Borrowings**”) provided that the creation of such additional security does not result in a breach of the Asset cover. The Company shall provide to the Trustee (as required by Trustee from time to time), a quarterly certificate from its statutory auditor or from practising CA certifying that creation of additional security to secure other borrowings will not dilute the required Asset Cover as stipulated under Information Memorandum on outstanding debentures. Additionally, the Company should provide a certificate from practicing CA and certifying that creation of additional security to secure other borrowings will not dilute the required Asset Cover as stipulated under Information Memorandum on outstanding debentures before creating any additional charge on Hypothecated Property

1.7 REDEMPTION

The Outstanding Principal Amount of the Debentures, together with accrued but unpaid Coupon and additional interest, if any, will be redeemed at par, on the Maturity Date. The Debentures will not carry any obligation, for Coupon or otherwise, after redemption has occurred and all amounts due have been paid.

The Company shall furnish the details of payments made to the Debenture Holder's containing the following towards redemption or the payment of the principal amount:

- i) Names of the Debenture Holder's.
- ii) Amount paid
- iii) Date of payment
- iv) Mode of payment (NEFT/DD/Cheque etc)

1.8 BUSINESS DAY CONVENTION/DUE DATE OF PAYMENT

If the due date for any Coupon falls on a Sunday or a day which is a bank holiday in Mumbai, then the immediately succeeding Business Day shall be the due date for such payment.

If the due date in respect of any instalment of principal amount of the Debentures, liquidated damages and all other monies payable under the Deed falls on a Sunday or a day which is a bank

holiday in Mumbai then the immediately preceding Business Day shall be the due date for such payment.

1.9 APPLICATION OF PAYMENTS

The Trustee shall hold UPON TRUST the monies, received by it from the Company or realized by it in respect of the Hypothecated Property for the benefit of the Debenture Holders and unless otherwise agreed to by the Debenture Holders, any payments due and payable to the Debenture Holders and made by the Company shall be applied towards such dues in the following order, viz.-

- (i) Firstly towards all costs, charges and expenses incurred by the Trustee in accordance with the terms of the Deed;
- (ii) Secondly, towards further interest and liquidated damages;
- (iii) Thirdly, towards Coupon; and
- (iv) Lastly, towards redemption of the Debentures; due and payable under the Deed.

1.10 RESTRICTION ON PREFERENTIAL PAYMENTS

The Debentures shall rank *pari passu charge*, inter se, and the Company shall pay and discharge all its liabilities to the Debenture Holders under the Deed without preference or priority of one over the other.

1.11 PLACE AND MODE OF PAYMENT BY THE COMPANY

All Coupon monies, principal repayments and additional interest payable by the Company to the Debenture Holders shall be paid to the Debenture Holders as on the Record Date and in case of joint holders of Debentures, to the one whose name stands first in the Register of Debenture Holder(s) in Indian Rupee by other electronic mode of transfer like RTGS/NEFT/Direct Credit, at the sole risk of the applicant and to such bank account within India as the Debenture Holders intimate the Company in writing and available with the registrar and transfer agent. Credit for all payments will be given only on realisation.

1.12 TRANSFER OF DEBENTURES

Transfer and transmission of the Debentures shall be subject to the Depositories Act, 1996, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.

The Debentures shall be freely transferable and transmittable by the Debenture Holder(s) in whole or in part without the prior consent of the Company. The Debenture Holder(s) shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures.

It is clarified that the Company shall not assign any of the rights, duties or obligations under the Deed or in relation to the Debentures without the prior written consent of the Trustee (acting on the instructions of all the Debenture Holder(s)).

1.13 NOMINEE DIRECTOR

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

- (i) 2 (two) consecutive defaults in payment of interest to the Debenture Holder(s); or
- (ii) Any default on the part of the Company in redemption of the Debentures; or
- (iii) Any default in the creation of security.

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The Company shall take steps to amend its Articles of Association for the purpose if necessary.

1.14 DEBENTURES FREE FROM EQUITY

The Debenture Holders will be entitled to their Debentures free from equities or cross claims by the Company against the original or any intermediate holders thereof.

1.15 DEBENTURE HOLDERS NOT ENTITLED TO SHAREHOLDERS' RIGHTS

The Debenture Holders will not be entitled to any of the rights and privileges available to the shareholders including right to receive notices of or to attend and vote at general meetings of the Company, other than those available to them under relevant statutes.

If, however, any resolution affecting the rights attached to the Debentures is placed before the shareholders, such resolution will first be placed before the Debenture Holders for their consideration.

1.16 ISSUANCE OF DEBENTURE CERTIFICATES

The Company shall issue Debentures in dematerialized form to the Debenture Holders in accordance with the relevant provisions of the Companies Act, 2013/ SEBI guidelines/banking regulations/RBI guidelines/Depositories Act.

1.17 ARTICLES OF DEED

The Deed shall be read in conjunction with the Information Memorandum and Private Placement Offer Letter and it is specifically agreed between the Trustee and the Company that in case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in the Information Memorandum or the Private Placement Offer Letter and the Deed, the provisions as contained in Information Memorandum or the Private Placement Offer Letter shall prevail and override the provisions of the Deed and the Deed shall forthwith be amended to make it consistent with the terms of the Information Memorandum and/or the Private Placement Offer Letter.

1.18 DEBENTURE REDEMPTION RESERVE AND RECOVERY EXPENSE FUND

At present under Applicable Law a Debenture Redemption Reserve is not required to be created for the issue of privately placed debentures by Non-Banking Financial Companies registered with the RBI. Since the Company is a Non-Banking Financial Company registered with RBI, no Debenture Redemption Reserve is presently being created in respect of the Debentures. In case of change in Applicable Law requiring the Company to create the Debenture Redemption Reserve, the Company will create the Debenture Redemption Reserve as may be required under the Applicable Law.

Recovery Expense Funds:

The Company shall create the recovery expenses funds in terms of the Regulation 15 (1) (h) of the SEBI (DT) Regulation, 2020, Regulation 11 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI's Operational Circular for issue and listing of Non-convertible Securities dated August 10, 2021 in the manner as may be specified by the SEBI from time to time. Further, Company agrees and undertake to comply with provisions of recovery expenses as per Applicable Laws.

1.19 ENFORCEMENT

The Trustee shall be entitled to enforce the Secured Obligations of the Company under or pursuant to the Deed of Hypothecation as if the same were set out and contained in the Deed. The Hypothecated Property shall be and remain as security to the Trustee and shall be held in trust for the benefit of the Debenture Holders for the due repayment of all amounts under the Debentures including the Secured Obligations including but not limited to Coupon, redemption price, default interest, remuneration of the Trustee, all agreed fees, costs, charges, expenses and all other monies payable under the Debentures.

COMPANY'S COVENANTS

2.1 UTILIZATION OF PROCEEDS OF THE DEBENTURES

The Company shall utilise the moneys received towards subscription of the Debentures for the purpose mentioned in Information Memorandum

2.2 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

(i) STATUS:

- a. It is a company, duly incorporated, registered and validly existing under the Applicable Laws of India.
- b. It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(ii) BINDING OBLIGATIONS:

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(iii) **NON-CONFLICT WITH OTHER OBLIGATIONS:**

The entry into, and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

- a. any Applicable Law; or
- b. its constitutional documents; or
- c. an order, writ, injunction or decree passed by any court or tribunal or Governmental Authority; or
- d. any agreement or instrument binding upon it or any of its assets.

(iv) **POWER AND AUTHORITY:**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(v) **VALIDITY AND ADMISSIBILITY IN EVIDENCE:**

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- a. to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- b. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- c. for it to carry on its business, and which are material have been obtained or effected and are in full force and effect.

(vi) **NO DEFAULT:**

No Event of Default has currently occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. To the best of the Company's knowledge, no other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its assets or which might have a Material Adverse Effect as on the date hereof.

(vii) **PARI PASSU RANKING:**

Its payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other secured creditors, except for obligations mandatorily preferred by law applying to companies generally.

(viii) **NO PROCEEDINGS PENDING:**

There are no litigations, arbitration or administrative proceedings of or before any court, arbitral body or agency, which if adversely determined may have a Material Adverse Effect, which have (to the best of its knowledge and belief) been started against it except as disclosed by the Company in its annual reports, financial statements, the Information Memorandum, the Private Placement Offer Letter.

(ix) **NO MISLEADING INFORMATION:**

All information provided by the Issuer to the Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) on which it is stated.

(x) **COMPLIANCE:**

It is in compliance in all respects with all Applicable Laws for the performance of its obligations with respect to this Issue, including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(xi) **ASSETS:**

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN: U67190MH2006PLC159411 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(xii) **FINANCIAL STATEMENTS:**

- a. Its financial statements most recently supplied to the Trustee were prepared in accordance IND AS consistently applied save to the extent expressly disclosed in such financial statements.
- b. Its financial statements most recently supplied to the Trustee as of March 31, 2021 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.

(xiii) **SOLVENCY:**

- a. The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of Applicable Laws, nor in any such case, will it become so in consequence of entering into the Deed.

- b. The value of the Assets of the Company is more than its respective Liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- c. As on the date hereof, the Company has not taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

2.3 MAKE THE RELEVANT FILINGS WITH THE REGISTRAR OF COMPANIES/SEBI

Pursuant to the provisions of the Companies Act, 2013 and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein

2.4 REPORTING COVENANTS

The Company shall provide or cause to be provided to the Trustee, in form and substance reasonably satisfactory to the Trustee (and to the Debenture Holders if so requested), each of the following items:

- (i) As soon as available and in any event within 5 calendar days after any change in the shareholding structure of the Company, an updated report reflecting the changes with respect to all of the Company's beneficial owners, as appropriate.
- (ii) As soon as available, and in any event within 180 (One Hundred and Eighty) calendar days after the end of each fiscal year of the Company:
 - a. certified copies of its audited standalone and consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with generally accepted accounting principles in its jurisdiction including its balance sheet, income statement, statement of cash flow and a list comprising all material financial liabilities of the Company whether absolute or contingent; and
 - b. such additional information or documents as the Trustee may reasonably request.
- (iii) As soon as practicable, and in any event within 15 (Fifteen) Business Days after the Company obtains actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect.
- (iv) As soon as practicable, and in any event within 7 (Seven) Business Days after the Company obtains actual knowledge thereof, notice of the occurrence of any event which constitutes an Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same.
- (v) The Company agrees that it shall forward to the Trustee promptly, whether a request for the same has been made or not:
 - (a) a copy of the Statutory Auditors' and Directors' Annual Report, Balance Sheet and Statement of Profit & Loss and of all periodical and special reports at the same time as they are issued;
 - (b) a copy of all the notices, call letters, circulars, proceedings, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media;

- (vi) The Company will permit the Trustee to examine and inspect the relevant books and records of the Company upon reasonable prior notice of 2 calendar days and at such reasonable times and intervals as the Trustee may reasonably request.
- (vii) The Company shall provide or cause to be provided to the Trustee, in form and substance reasonably satisfactory to the Trustee, such additional documents or information as the Trustee may reasonably request from time to time in relation to the Issue.

2.5 AFFIRMATIVE COVENANTS: -

The Company shall -

(i) LISTING

Take all steps necessary to get the Debentures listed within 4 (Four) trading days from f the Issue Closing Date. In case of delay in listing of the Debentures, the Issuer will pay penal interest of 1 % p.a. over the Coupon Rate from the Deemed Date of Allotment till the listing of such Debentures. In the event that the Debentures are not listed within 4 (four) trading days from f the Issue Closing Date for any reason whatsoever, then to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors or Qualified Foreign Investors, the Company undertakes to immediately redeem and/or buyback any and all Debentures which are held by such Foreign Institutional Investors or such sub-accounts of Foreign Institutional Investors or Qualified Investors. The Debentures have been listed on the WDM segment of BSE within 4 trading days from deemed date of allotment.

(ii) NOTICE OF WINDING UP OR OTHER LEGAL PROCESS

Promptly inform the Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act, or any other notice under any other act relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company and affecting or likely to affect the charged assets and the title to the properties of the Company or if a receiver is appointed in respect of any of its properties or businesses or undertakings.

(iii) LOSS OR DAMAGE BY UNCOVERED RISKS

Promptly inform the Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties.

(iv) COSTS AND EXPENSES

Pay all costs, charges and expenses in any way incurred by the Trustee towards protection of Debenture Holders' interests, including travelling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

(v) PRESERVE CORPORATE STATUS

Diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business.

(vi) CREDIT RATING

The Company shall ensure that it would obtain the credit rating from SEBI registered Credit Rating Agency from time to time, till the redemption of all the Debentures in full.

(vii) PAY STAMP DUTY

Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand.

(viii) FURNISH INFORMATION TO TRUSTEE

- a. The Company shall furnish quarterly report to the Trustee (as may be required in accordance with SEBI guidelines) containing the following particulars -
 - Updated list of the names and addresses of the Debenture Holders.
 - Details of the Coupon due, but unpaid and reasons thereof.
 - The number and nature of grievances received from the Debenture Holders and resolved by the Company and Unresolved by the Company and the reasons for the same.
 - A statement that the Hypothecated Property is sufficient to discharge the claims of the Debenture Holders as and when they become due.
 - b. The Company shall promptly furnish to the Trustee the details of all the grievances received and shall comprise the following:
 - Names of the complainants/Debenture Holders
 - Nature of grievances/complaints
 - Time taken for redressal of complaint/grievances etc.
 - The steps taken by the Company to redress the same
- (ix) Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Trustee and shall advise the Trustee periodically of the compliance.
- (x) Inform the Trustee of any major change in the composition of its Board of Directors, which may amount to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (xi) Inform and provide the Trustee with applicable documents in respect of any and all information required to be provided to the Debenture Holders under the listing agreement to be entered into between the Company and the stock exchange on which the Debentures are proposed to be listed.

(xii) Utilisation certificate:

The Company shall provide Statutory auditor's certificate confirming that the issue proceeds has been utilized as per the provisions of the Information Memorandum / Private Placement Memorandum / Transaction Documents.

(xiii) Additional Covenants

i. Security Creation

If not already executed, the Issuer shall execute the Trust Deed before listing of the debentures in respect of the Debentures allotted under the first series of Debentures. In case of a delay in execution of Trust Deed and Security Documents, the Issuer will refund the subscription with agreed rate of interest or will pay penal interest of atleast 2% p.a. over the Coupon Rate till these conditions are complied with at the option of the investor.

ii. Default in Payment and Other Defaults

In case of default in payment of interest and/or principal redemption on the due dates or observance of any other terms, conditions or covenants as per the deed, Disclosure Document(s) in respect of a relevant tranche / series of the Debentures, additional interest/ default interest of atleast @ 2% p.a. or such other rate as may be prescribed under the Applicable Law over and above the applicable implicit yield / Coupon Rate/ Interest Rate will be payable by the Issuer for the defaulting period in respect of such tranche /series of the Debentures.

iii. Delay in Listing

In case of delay in listing of the debt securities, wherever applicable, beyond 4 (four) trading days from the Issue Closing Date or such number of days as may be allowed (for getting the Debentures listed) under the Applicable Law in respect of the relevant tranche of the Debentures, the Issuer will pay default/ additional interest of atleast 1 % p.a. over the coupon rate or such other rate as may be prescribed under the Applicable Law.

(xiv) The Company shall, on half yearly basis furnish Certificate from its statutory auditor of the Company giving the value of receivables/book debts including compliance with the covenants of the Offer Document/Information Memorandum in the manner as may be specified by the Board from time to time.

(xv) The Company shall, on quarterly basis furnish to the Debenture Trustee, the following certificates:

1. Certificate from an independent chartered accountant giving the value of book receivables/book debts of the Company.
2. Certificate from the Director/ Managing Director of the Issuer Company Certifying the value of the Book Debts/Receivables.
3. Such other information / details / reports as may be requested by the debenture trustee.

- (xvi) The Company shall, on monthly basis furnish to the Debenture Trustee, an updated list of the loans comprising the identified assets / portfolio of receivables on a monthly basis on or prior to the 15th (Fifteenth) day of each calendar month along with such other certifications in respect of the identified assets / portfolio of receivables as may be required by debenture trustee.
- (xvii) The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, the Trust Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014 as if they are actually and physically incorporated in the deed.
- (xviii) In terms of Clause 3.2 of the SEBI Circular dated 23.06.2020, the Company submits the following Bank Account details from which it proposes to pay the redemption amount and pre-authorise Debenture Trustee to seek debt redemption payment related information from the said bank. The Company has submitted a letter duly acknowledged by the said bank agreeing to provide debt redemption payment related information to the Debenture Trustee.

Bank Account Details: -

- i. Name of Bank :- HDFC Bank
- ii. Account No. :- 00640350000413
- iii. Branch address:- No 3, Vastushree, College Link Road, Thatte Nagar, Nashik-422005

The Company further agrees and undertakes that it shall also inform the Debenture Trustee of any change in above bank details within 1 working day of such change.

- (xix) The Company covenant and undertake that it shall furnish the following documents/information/reports/certification, as applicable, to Debenture Trustee to enable the Debenture Trustee to submit the same to Stock Exchange(s) within the timelines mentioned below:

Reports/Certificate	Periodicity	Format
Asset cover Certificate	Quarterly basis within 60 days from end of each quarter	Annexure A as per SEBI Circular dated 12.11.2020
A statement of value of pledged securities		-
A statement of value Debt Service Reserve Account or any form of		-

security offered		
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(xx) Company undertakes to comply with all the directions/guidelines/circulars/regulations issued by any regulatory authority with regard to the Debenture issue including latest amendments issued by SEBI from time to time and further company shall take such steps as may be required from time to time.

(xxi) Information Utility

The Company agrees and consents that the Debenture Trustee shall be entitled to file with an Information Utility (as defined and set up under (Indian) Insolvency and Bankruptcy Code, 2016) all necessary information in relation to the transaction as required under the (Indian) Insolvency and Bankruptcy Code, 2016. The Company confirms that the Company will provide all the assistance to the Debenture Holders/ Debenture Trustee as may be required for initial submission of the Form C to the relevant Information Utility registered with Insolvency and Bankruptcy Board of India under the (Indian) Insolvency and Bankruptcy Code, 2016 and also any other help as may be required in the future in similar matters where financial creditor is under obligation to initiate some action.

Part I – Information to be submitted to Stock Exchange:

- A. As per Regulation 51 (1) of the LODR Regulations, the Company shall promptly inform the Stock Exchange(s) of all information having bearing on the performance/operation of the Company, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible securities. Further as per Regulation 52 (2) of the LODR Regulations, the Company, shall without prejudice to the generality of sub-regulation (1), having listed non-convertible securities shall make disclosures as specified in Part B of Schedule-III of the LODR Regulations.
- B. Further, as per Regulation 51 (3) of the LODR Regulations, the Company shall disclose on its website, all such events or information which have been disclosed to the Stock Exchange(s) pursuant to LODR Regulation and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per the archival policy of the Company, as disclosed on its website.
- C. As per Regulation 52 (1) and (4) of the LODR Regulations, the Company is required to prepare and file unaudited or audited quarterly and year to date standalone financial results on a quarterly basis in the format as specified by the Board within 45 (forty- five) days from the end of the quarter, other than last quarter, to the recognised Stock Exchange.
- D. The Company shall, while submitting quarterly/annual financial results, accordingly shall provide Debenture Trustee the following information, on the letter head of the Company, addressed to the Stock Exchange/(s):
- (a) debt equity ratio;
 - (b) debt service coverage ratio;
 - (c) interest service coverage ratio;
 - (d) outstanding redeemable preference shares (quantity and value);
 - (e) capital redemption reserve/debenture redemption reserve, as applicable;
 - (f) net worth;
 - (g) net profit after tax;
 - (h) earnings per share;
 - (i) current ratio;
 - (j) long term debt to working capital;
 - (k) bad debts to Account receivable ratio;
 - (l) current liability ratio;

- (m) total debts to total assets;
 - (n) debtors turnover;
 - (o) inventory turnover;
 - (p) operating margin (%);
 - (q) net profit margin (%); and
 - (r) sector specific equivalent ratios, as applicable.
- E. As per Regulation 53 of the LODR Regulations, the Company shall submit to the and Stock Exchange and publish on its website the following:
- A. a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and
 - B. in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty-eight) hours after the annual general meeting.
- F. As per Regulation 57 (1) of the LODR Regulations, the Company shall submit a certificate to the Stock Exchange within 1 (one) working day of the interest or dividend or principal becoming due regarding status of payment in case of non-convertible securities.
- G. As per Regulation 57 (4) of the LODR Regulations, the Company shall within 5 (five) working days prior to the beginning of the quarter provide details for all the non-convertible securities for which interest/dividend/principal obligations shall be payable during the quarter.
- H. As per Regulation 57(5) of the LODR Regulations, the Company shall within 7 (seven) working days from the end of the quarter provide:
- (a) a certificate confirming the payment of interest/dividend/principal obligations for non-convertible securities which were due in that quarter; and
 - (b) the details of all unpaid interest/dividend/principal obligations in relation to non-convertible securities at the end of the quarter.
- I. Any further information which may be required to be submitted to the Stock Exchange pursuant to LODR Regulations, as amended from time to time.

Part II - Information to be submitted to the Debenture Trustee

- A. The Company shall submit, a copy of the financial results submitted to Stock Exchange shall also be provided to Debenture Trustee on the same day the information is submitted to the Stock Exchange.
- B. As per Regulation 53 of the LODR Regulations, the Company shall submit to the Debenture Trustee and publish on its website the following:
 - (a) a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and
 - (b) in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 (forty-eight) hours after the annual general meeting.
- C. In terms of the provisions of Regulation 56 of the LODR Regulations, Company shall promptly submit to the Debenture Trustee the following:-
 - (a) a copy of the annual report at the same time as it is issued along with a copy of certificate from the listed entity's auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised:

Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.

- (b) a copy of all notices, resolutions and circulars relating to –
 - I. new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities;
 - II. the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;
 - III. a half yearly certificate regarding maintenance of 100% (hundred percent) or higher asset cover as per the terms of the Placement Memorandum and/or this Deed, including compliance with all the covenants, in respect of listed non- convertible debt securities, by the Statutory Auditor, along with the financial results, in the manner and format specified by the Board;
 - IV. Intimations regarding:
 - i. any revision in the rating;
 - ii. any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;
 - iii. all covenants of the Issue (including side letters, accelerated payment clause, etc.).
- D. The Company shall forward to Debenture Trustee any information sought and provide access to relevant books of accounts as required by it.
- E. The Company may, subject to the consent of the Debenture Trustee, send the information stipulated in sub-regulation (1), in electronic form/fax.
- F. The Company shall also disclose to the Debenture Trustee at the same time as it has intimated to the Stock Exchange, all material events and/or information as disclosed under Regulation 51 of LODR Regulations in so far as it relates to the interest, principal, issue and terms of non-convertible debt securities, rating, creation of charge on the assets, notices, resolutions and meetings of holders of non-convertible debt securities.

Part – III Information to be submitted to the Debenture holders

- A. In terms of the provisions of the Regulation 58 of the LODR Regulations, Company shall send to the Debenture Holders the following documents and information:-
 - (a) Soft copies of the full annual reports to all the holders of non- convertible securities who have registered their email address(es) either with the listed entity or with any Depository;
 - (b) Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act and rules made thereunder to those holders of non-convertible securities who have not so registered;
 - (c) Hard copies of full annual reports to those holders of non-convertible securities, who request for the same;

The Company shall send the notice of all meetings of holders of non-convertible debt securities and holders of non-convertible redeemable preference shares specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, shall be applicable for such meeting.

The Company shall send proxy forms to holders of non-convertible debt securities and non-convertible redeemable preference shares which shall be worded in such a manner that holders of these securities may vote either for or against each resolution.

Part – IV Disclosures to be complied as per SEBI Debt Regulations and SEBI Operational Circular

- (a) Intimation on status of payment
- (i) Issuer shall intimate to the Stock Exchange, Depositories and Debenture Trustee the status of payment of Debentures within 1 (one) working day of payment/ redemption date.
 - (ii) While intimating the status of payment to Debenture trustee(s), Issuer shall also intimate to Debenture Trustee that they have informed the status of payment or otherwise to the Stock Exchange and Depositories.
- (b) Continuous assessment of default status
- (i) The Issuer shall inform the Stock Exchange, Depositories and Debenture Trustee latest by the second working day of April of each financial year on the updated status of payment of the Debentures.
 - (ii) In case the Issuer fails to intimate the updated status of payment of the concerned Debentures within the stipulated timelines, the Debenture Trustee shall carry independent assessment as given Clause 5.1 (A) (ix) above and intimate the status of payment of debt securities to the Stock Exchange and Depositories within 7th (seventh) working day of April of each financial year.
 - (iii) In case Issuer or Debenture Trustee does not intimate the status of payment of Debentures to Stock Exchange and Depositories within the stipulated timeline, transactions in such Debentures shall be restricted from 8th (eighth) working day of April of that financial year, until any further intimation is received from Issuer or Debenture Trustee regarding the same.
 - (iv) In case of any developments that impact the status of default of the Debentures (including restructuring of Debentures, NCLT/ NCLAT proceedings relating to insolvency/ bankruptcy, repayment, etc.), the Issuer/ Debenture Trustee shall intimate the Stock Exchanges and Depositories within 1 (one) working day of such development.
- (c) Payment of debt securities or subsequent payment of defaulted Debentures
- In case of receipt of intimation or subsequent intimation to the Depositories regarding full payment of redemption amount or any developments that impacts the status of default of the concerned debt securities (including restructuring of debt securities, IBC proceedings, its repayment, etc.) from Issuer or from Debenture Trustee, transactions shall be restricted in such debt securities by the Depositories immediately. The same shall be informed to the Stock Exchange and disseminated on respective Depositories' website, within 1 (one) working day of such restriction. Further, the concerned Debenture Holder shall be extinguished in the depository system on receipt of corporate action documents from the Issuer towards its extinguishment.
- (d) The process explained in paragraphs (b) and (c) above shall be followed either till full payment on these Debentures is made by Issuer or the Issuer has been liquidated and money has been realised after completion of recovery proceedings.
- (e) Filing Requirements
- (i) Issuers shall fill all the requisite fields as provided in **Annex - XIV-A** of the SEBI Operational Circular in the Centralized Database at the time of allotment of International Securities Identification Number. Depositories shall verify the information as provided by Issuer at the time of activation of International Securities Identification Number.
 - (ii) Post listing of securities, Issuer shall submit information in the requisite fields as provided in **Annex - XIV-B** of the SEBI Operational Circular to any of the stock exchanges where their

securities are listed on a periodical basis and/or 'as and when' basis (event based), as applicable. The Stock Exchange shall indicate the format of filing to the Issuers in this regard.

- (iii) Issuer shall ensure that EBPs shall update on their websites, details of issuances done through the EBP platform at the end of the day after the acceptance of the bid by the Issuer in the format at **Annex - XV-B** of the SEBI Operational Circular.

(xxii) TRANSFER OF UNCLAIMED REDEMPTION AMOUNTS

The Company shall comply with the provisions of the Act relating to transfer of unclaimed / unpaid amounts of Coupon on Debentures and redemption of Debentures to the Investor Education and Protection Fund (IEPF), if applicable to it.

The Company further agrees and undertakes that during the currency of the deed it shall abide by the guidelines/listing requirements if any, issued from time to time by the SEBI/RBI.

(xxiii) FURTHER ASSURANCES

The Company shall:

- a. execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Trustee;
- b. obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it lawfully to enter into and perform its obligations under the deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the deed;
- c. comply with all Applicable Laws, as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as may be in force from time to time during the currency of the Debentures; and (ii) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures;
- d. Any reference to the Debenture Trustee shall be a reference to the Debenture Trustee in its capacity as a trustee for the benefit of and acting on behalf of the Debenture Holders;
 - i. in accordance with Regulation 52 of the LODR Regulations, the Company shall file with the BSE the prescribed statements, financial statements and noting certificate of the Debenture Trustee within the timelines prescribed therein;
 - ii. in accordance with Regulation 52 of the LODR Regulations, the Company shall furnish to the Debenture Trustee a copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges

- iii. in accordance with Regulation 56 of the LODR Regulations, the Company shall submit the following to the Debenture Trustee;
 - (c) a copy of the annual report at the same time as it is issued and a copy of the certificate from the Company's auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each Financial Year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;
 - (d) copy of all notices, resolutions and circulars relating to any new issue of non-convertible debt securities (at the same time as they are sent to shareholders/holders of non-convertible debt securities), the meetings of holders of non-convertible debt securities (at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings);
 - (e) intimations regarding any revision in the rating, any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Company, any failure to create charge on the assets, and All covenants of the issue (including side letters, accelerated payment clause, etc.); and
 - (f) a copy of the statement, if any filed with the BSE in compliance of Regulation 52(7) of the LODR Regulations indicating material deviations, if any, in the use of funds raised by the issue of the Debentures from the object stated in the Information Memorandum
 - (g) submit such other disclosure to the Debenture Trustee as may be required under the (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable Laws, each as amended from time-to-time.

(xxiv) **SECURITY**

- a. The Debentures will be secured by way of *pari passu* charge on the Hypothecated Property;
- b. The Company shall maintain at all times, during the period of the Issue, the value of security at all times equal to 1.05 time the aggregate amount of the outstanding principal and coupon amounts under the Debentures. The value of the security for this purpose (both for initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Company. The Company shall furnish to the Trustee a certificate from its statutory auditor or by a practicing CA in support of this statement from time to time.
- c. The Company shall create, register and perfect the security over the Hypothecated Property as contemplated above by executing a duly stamped Deed of Hypothecation and filing Form No. CHG-9 with the Registrar of Companies in relation thereto within the period specified in the Companies Act, 2013;

- d. The Company shall on a quarterly basis furnish to the Debenture Trustee a statement, signed by an authorized signatory of the Company and supported by Chartered Accountant's certificate, confirming that the Asset Cover is being maintained as per the provisions (for the benefit of the Debenture Holders) ("**Quarterly Hypothecated Property Report**")
- e. The security shall be a continuing security as described in the Deed of Hypothecation;
- f. Nothing contained herein shall prejudice the rights or remedies of the Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Company to the Trustee and/ or the Debenture Holders;

2.6 COVENANT AS TO DIVIDEND

The Company shall not declare or pay any dividend to its shareholders during any financial year where it has not paid all the dues to the Debenture holders /Trustee up to the date on which the dividend is proposed to be declared or paid or has not made satisfactory provisions therefor.

2.7 NEGATIVE COVENANTS: -

The Company shall not take any action in relation to the items set out in this Clause without obtaining a written consent from the Trustee (acting on the instructions of the debenture holders) at least 15 (Fifteen) business days prior to such action being taken. The Company agrees and confirms to provide to the Trustee all necessary documents in relation to action as listed below to enable the Trustee to give its consent.

(i) CHANGE OF BUSINESS

Change the general nature and conduct of its business from that which is permitted under the relevant directions issued by the RBI.

(ii) CONSTITUTIONAL DOCUMENTS

Change its articles of incorporation or organizational documents in any material way which would prejudicially affect the interests of the Debenture Holders.

(iii) MERGER, CONSOLIDATION, ETC.

Undertake or permit any merger, demerger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

(iv) DIVIDEND

Declare or pay any dividend to its shareholders during any financial year unless it has paid all the dues to the Debenture Holders/Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.

(v) **DISPOSAL OF ASSETS**

Sell, transfer, or otherwise dispose of in any manner whatsoever any material assets of the Company, other than in ordinary course of business including any securitization / portfolio sale of assets undertaken by the Company in its ordinary course of business.

2.8 REGISTER OF DEBENTURE HOLDERS

The Company shall, as required by Section 88 of the 2013 Act maintain at the registered office of the Company a Register of the Debenture Holder(s) with addresses of the Debenture Holder(s) with record of subsequent transfers and changes of ownership. For the above purpose, the Company shall request the registrar and transfer agent of the Issue to provide a list of Debenture Holder(s) as of the Record Date. The Trustee and/or the Debenture Holder(s) or any of them or any other person shall, as provided in Section 94 of the 2013 Act, be entitled to inspect the said Register of Debenture Holder(s) and to take copies of or extracts from the same or any part thereof during usual business hours.

EVENTS OF DEFAULT AND REMEDIES

3.1 If one or more of the events specified happen(s), the Trustee upon request in writing of the Debenture Holders of an amount representing not less than three-fourths in value of the nominal amount of the Debentures for the time being outstanding or by a Special Resolution duly passed at the meeting of the Debenture Holders, shall by a notice in writing to the Company take all such action, expressly or impliedly permitted under the Transaction Documents or in law.

3.2 EVENTS OF DEFAULT

(i) **PAYMENT DEFAULTS**

The Company does not pay on the due date any amount payable pursuant to the deed at the place at which and in the currency in which it is expressed to be payable.

(ii) **BREACH OF TERMS OF THE DEED**

Except for the event contained in this Clause, the Company defaults in the performance of any of its representations, obligations and covenants provided in terms of the deed 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.

(iii) **INSOLVENCY / INABILITY TO PAY DEBTS**

The Company admits in writing its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness exceeding Rs. 1,00,00,000/- (Rupees One Crore Only).

(iv) **MISREPRESENTATION**

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Trustee/ Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(v) **MATERIAL ADVERSE CHANGE**

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.

(vi) **LIQUIDATION OR DISSOLUTION OF THE COMPANY / APPOINTMENT OF RECEIVER OR LIQUIDATOR**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- i. **the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;**
- ii. **a composition, compromise, assignment or arrangement with any creditor of the Company;**
- iii. **the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company;**
- iv. **enforcement of any security over any assets of the Company or any analogous procedure or step is taken in any jurisdiction; or**
- v. **any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any of the events listed in clauses (i), (ii), (iii) and (iv) above.**

(vii) **CREDITORS' PROCESS**

Any expropriation, attachment, sequestration, distress or execution affects any Asset or Assets of the Company having an aggregate value of 5% (Five percent) of the Total Assets of the Company and is not discharged within 30 (Thirty) calendar days or as given in the said order.

(viii) **JUDGMENT DEFAULTS**

One or more judgments or decrees shall be entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (Five percent) of the Total Assets of the Company and such judgments or decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed pending appeal for any period of 30 (Thirty) calendar days.

(ix) **TRANSACTION DOCUMENTS**

The 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.

(x) **UNLAWFULNESS**

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) REPUDIATION

The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(xii) SECURITY

- a. The value of the Hypothecated Property is insufficient to maintain the Asset cover and Company fails to maintain the Asset cover within the stipulated timelines in the Deed of Hypothecation;
- b. Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created (including the priority intended to be created), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable;
- c. If, in the opinion of the Trustees, the security of the Debenture holder(s)/Beneficial Owner(s) is in jeopardy.

3.3 NOTICE ON THE HAPPENING OF AN EVENT OF DEFAULT BY THE COMPANY

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Company shall, forthwith give notice thereof to the Debenture Holders/Trustee in writing specifying the nature of such Event of Default, or of such event.

3.4 CONSEQUENCES OF AN EVENT 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 Debenture Holder(s), (a) upon the expiry of the cure period provided to the Company, or (b) if the cure period provided is mutually extended by the Parties to the trust deed upon the expiry of such extended period or (c) where it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the Parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed to cure period, the Trustee shall if so directed by the Majority Debenture Holder(s):

- (i) declare that all or part of the Secured Obligations be immediately due and payable, whereupon they shall become immediately due and payable;
- (ii) accelerate the redemption of the Debentures;

- (iii) enforce the charge over the Hypothecated Property in accordance with the terms of the Deed of Hypothecation; and/or
- (iv) exercise any other right that the Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law

1.1.1 After the occurrence of an Event of Default under above clause, and the expiry of cure periods (if any) the Debenture Trustee shall send a notice to the Debenture Holder(s) (along with a copy to the Company) within 3 (three) days of the Event of Default by registered post/acknowledgement due or speed post/acknowledgement due or courier or hand delivery with proof of delivery and also through email as a text or as an attachment to email with a notification including a read receipt, and proof of dispatch of such notice or email, shall be maintained.

1.1.2 The notice shall contain the following:

- (a) request for negative consent for proceeding with the enforcement of security;
- (b) request for positive consent for signing of the ICA;
- (c) the time period within which the consent needs to be provided by the Debenture Holder(s), viz. consent to be given within 15 days from the date of notice or such revised timelines as prescribed under Applicable Law; and
- (d) the date of meeting to be convened (which shall be within 30 days of the occurrence of Event of Default).

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

1.1.3 The Debenture Trustee shall take necessary action of either enforcing the Security or entering into the ICA or take any other action as decided in the meeting of Debenture Holder(s) based on the decision of the Debenture Holder(s) with Special Majority, including the decision of formation of a representative committee of the Debenture Holder(s) to participate in the ICA or to enforce the Security or as may be decided in the meeting of Debenture Holder(s). Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the Debentures and be responsible to take decisions [which shall be binding on the specific ISIN level Debenture Holder(s) relating to ICA matters, or in relation to enforcement of the Security, or take any other action as may be decided by the Debenture Holder(s), from time to time.

The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the ICA and consider the resolution plan, if any, on behalf of the Debenture Holder(s)/ Beneficial Owners in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws.

1.1.4 The Trustee shall also have the following rights (notwithstanding anything in these presents to the contrary):

- (a) to enter upon and take possession of the Secured Assets as per the provisions of the deed¹;
 - (b) to enforce any Security created pursuant to the Security Documents in accordance with the terms thereof, as may be set out therein, towards Repayment of the Secured Obligations;
 - (c) to transfer the Secured Assets of the Company by way of lease/sub-lease or license or sale upon occurrence of Event of Default in accordance with the terms hereof;
 - (d) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company² or to appoint an observer to all meetings of the board of directors of the Company, in the manner more particularly set out in the deed;
 - (e) to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever applicable), sale without intervention of Court under Section 69 of Transfer of Property Act, 1882 or any other Applicable Law;
 - (f) to levy default interest on overdue amounts as per the terms of issue;³ and
 - (g) to exercise such other rights as the Debenture Holder(s) may deem fit under Applicable Law.
- 1.1.5 The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security⁴.
- 1.1.6 All expenses over and above those met from the Recovery Expense Fund incurred by the Beneficial Owners(s)/Trustee after an Event of Default has occurred in connection with:-
- (a) preservation of the Secured Assets (whether then or thereafter existing); and
 - (b) collection of amounts due under the deed,
- shall be payable by the Company.
- 1.1.7 Without prejudice to the obligation of the Trustee to monitor the Security Coverage Ratio and the Security in respect of the Debentures and to take necessary enforcement actions in accordance with the Transaction Documents, it is clarified that the Trustee shall not be liable in any manner to guarantee the recovery of the entire outstanding amounts in relation to the Debentures.

TRUSTEE'S RIGHTS, POWERS AND DISCRETIONS

4.1 GENERAL RIGHTS, POWERS AND DISCRETIONS

¹ Regulation 15(1) (o) of SEBI (DT) Regulations, 1993

² As per SEBI DT Regulation 15(1) (e) and Companies Act 2013

³ Applicable in case of privately placed debentures as per SEBI ILDS Regulations which provide that in case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period

⁴ As per SEBI (DT) Amendment Regulations, 2020 read with SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22nd October, 2020

- (i) The Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Trustee or otherwise;
- (ii) The Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;
- (iii) With a view to facilitating any dealing under any provisions of this document the Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
- (iv) The Trustee shall not be responsible for the monies paid by applicants for the Debentures;
- (v) The Trustee shall have full power, in consultation with the Debenture Holders, to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustee) shall be conclusive and binding upon all persons interested
- (vi) On the request from the debenture holders, the Trustee shall forward to them the copies of any information, documents received from the Company pursuant to the Deed.
- (vii) Trustee assumes that investors have carefully read the general risks, management's perceptions of risk as set out in the information memorandum before making investments in Debentures.
- (viii) Investors should note and be aware that the receipt of any coupon payment on due date(s) and principal amount at the maturity is subject to the credit risk of the issuer company.
- (ix) Investor to note that decisions may be made by the majority on behalf of all the Debenture Holders may be adverse to the interest of an individual Debenture Holder who do not attend and vote at the relevant meeting and Debenture Holders who voted in a manner contrary to the majority.
- (x) The Issuer Company is solely responsible for the correctness, adequacy and disclosure of all relevant information contained in the information memorandum
- (xi) The Debenture Trustee shall not be liable for any action taken by it unless such liability is caused directly by its gross negligence and wilful misconduct as decided by court of competent jurisdiction.

PROVIDED that nothing contained in this Clause shall exempt the Trustee or any receiver, attorney, manager, agent or other person appointed by the Trustee from or indemnify them against any liability for gross negligence, wilful default or breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties as decided by court of competent jurisdiction.

4.2 POWER OF TRUSTEE TO DELEGATE

The Trustee being a corporation may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an officer or officers for the time being of the Trustee and the Trustee may also, whenever they think it expedient, delegate by power of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in

them and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustee may think fit.

4.3 POWER OF TRUSTEE TO INSPECT

The Trustee or its authorised representatives shall be entitled to carry out inspections of the Company's offices, records, registers and books of accounts upon giving a reasonable notice in writing to the Company; to the extent such inspection is necessary for exercising any of the powers or discharging any of its duties of the Trustee hereunder. The Trustee is also entitled to take copies and extracts of the same. Any representative of the Trustee shall have free access at all reasonable times to the Company's premises, records, registers and accounts and shall receive full co-operation and assistance from the Company. The cost of inspection, including travelling and other related expenses shall be borne and paid by the Company.

4.4 POWERS OF TRUSTEE TO EMPLOY AGENTS

The Trustee being a corporation may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an agent/ agents. However, if any payments to be made to such person are to be borne by the Company, then the Trustee shall, unless an Event of Default has occurred and is continuing (subject to such costs and expenses being reasonable in the circumstances), seek the prior written approval of the Company before employing such agent or concurring in transacting any business with such agent.

4.5 WHEN TRUSTEE MAY INTERFERE

Until the happening of one or more of the events upon the happening of which the security constituted under the Deed of Hypothecation shall become enforceable as provided, the Trustee shall not be in any manner required, bound or concerned to interfere with the management or the affairs of the Company or its business or the custody, care, preservation or repair of the Hypothecated Property or any part thereof.

4.6 RETIREMENT AND REMOVAL OF TRUSTEE

(i) RESIGNATION:

- (a) The Trustee may at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the Trustee, provided that they shall have given at least 1 (One) month's prior notice in writing to the Company in that behalf and that they shall continue to act as the Trustee until a successor trustee ("**Successor Trustee**") is appointed by the Company with the consent of at least the Majority Debenture Holders.
- (b) The Company shall, upon receipt of notice of resignation issued by the Trustee, take prompt steps to appoint another entity competent to act as trustee for the Debenture Holders in place of the Trustee.

(ii) REMOVAL

The Debenture Holders may for sufficient cause but, after giving not less than 2 (two) months' notice in writing, remove the Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Company to appoint such entity as the Successor Trustee. The Company shall within 15 (fifteen) days of receipt of such Special Resolution passed by the Debenture Holders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment.

(iii) **SUCCESSOR TRUSTEE AS THE TRUSTEE**

Upon appointment of the Successor Trustee pursuant to the preceding sub-clause (i) or (ii), all references in the Deed to the Trustee shall unless repugnant to the context mean and refer to the Successor Trustee and the Successor Trustee shall without any further act or deed succeed to all the powers and authorities of the Trustee as if it had been originally appointed as the Trustee.

4.7 TRUSTEE'S REMUNERATION

The Company shall pay to the Trustee remuneration as per the terms of the fee letter reference No. 20318/ITSL/OPR/CL/2021-22/DEB/449 issued by the Trustee to the Company.

Arrears of instalments of annual service charges, if any, shall carry interest at the rate specified in fee letter till the actual payment.

DEPOSITORY RELATED PROVISIONS

- 5.1 The Company has made depository arrangements with NSDL and CDSL for dematerialization of the Debentures. Each of the Debenture Holders has to necessarily hold the Debentures in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time) ("**Depositories Act**"). The normal procedures followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form.
- 5.2 Debenture certificates will not be issued to the allottees, since the Debentures are being issued in a dematerialized form.
- 5.3 The depository account of the Debenture Holders with NSDL and CDSL, will be credited within 2 (two) Business Days from the Deemed Date of Allotment. The initial credit in the account will be akin to the letter of allotment. On the completion of all statutory formalities, such credit will be substituted with the number of Debentures allotted.
- 5.4 The Debentures held in the dematerialised form shall be taken as discharged on payment of the principal amount and Coupon thereon (including Default Interest if applicable) by the Company to the registered Beneficial Owner(s) on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Beneficial Owner(s). On such payments being made, the Company will inform NSDL and CDSL and accordingly the

account of the Debenture Holder with NSDL will be adjusted.

- 5.5 A Register of Debenture Holders containing all relevant particulars shall be maintained by the Company at either its registered office or corporate office or at the office of the registrar and transfer agent.
- 5.6 Transfer of Debentures in dematerialised form would be in accordance with the rules/procedures as prescribed by NSDL, CDSL and the applicable depository participant.
- 5.7 Nothing provided herein shall prejudice any power of the Company to register as a Debenture Holder any person to whom the right to any Debentures of the Company has been transmitted by operation of law.
- 5.8 Upon any request received for rematerialisation, the Company shall rematerialise Debentures in accordance with the rules and procedures prescribed by Depositories Act. All costs arising from the request of rematerialisation shall be borne by the person requesting such rematerialisation

COVENANTS OF DEBENTURE TRUSTEE AGREEMENT

1. The Company shall have the Debentures listed on the Wholesale Debt Market segment of a recognized stock exchange (BSE Limited) in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and SEBI (Listing Obligations and Discloser Requirement) Regulation, 2015, as amended from time to time, as soon as possible and in no event later than 4 (four) trading days from the f the Issue Closing Date;
2. The proceeds of the issuance of the Debentures shall be used by the Company for the regular business activities of the Company including utilisation of proceeds for disbursement to meet the finance requirements of the borrowers of the Company and its other associated business objectives such as discharging existing debt obligations which were generally undertaken for business operations;
3. The Debenture Trustee and the Company shall prior to listing of the Debenture issue enter into a Debenture Trust Deed (hereinafter referred to as the “Debenture Trust Deed”) and such other security and transaction documents as may be required from time to time in relation to the Debentures and in any case shall execute the said documents prior to listing of the Debenture issue.
4. As the Debentures are to be secured, the Company shall create security, by way of pari passu charge with other existing lenders on the loan receivables of the company's underlying portfolio of loans having minimum asset cover of 1.05 times of the principal outstanding and interest accrued but not paid, to be maintained throughout the tenor of the Debentures in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and by creating such other security

as may be mutually agreed between the Company and the Debenture Trustee/ Debenture Holders and shall execute necessary security documents prior to listing of the Debenture issue.

5. The Debenture Trust Deed shall be finalized by the parties and consist of two parts: Part A containing statutory/standard information pertaining to the debt issue inter alia consisting of clauses pertaining to Form SH-12 in terms of Rule 18(5) of the Companies (Share Capital and Debentures) Rules, 2014; and Part B containing details specific to the particular debt issue.
6. The Company confirms that the Company is duly authorised to enter into the Agreement and each of the other transaction documents pertaining to the issue of the Debentures. The Company is validly existing and in good standing under the laws of India and each of the obligations contained shall be legal, valid and binding obligation enforceable against the Company.
7. **Documents required to be submitted prior to or simultaneously with execution of the Agreement:**

The terms of the Agreement shall be effective only upon the submission by the Company of the requisite information and documents to the satisfaction of the Debenture Trustee for carrying out the requisite due diligence as required in terms of the Relevant Laws including in connection with verification of the security / contractual comforts and the required asset cover for the Debentures, which is undertaken by the Company to be submitted simultaneously with or prior to the execution of the Agreement.

A. Terms of carrying out due diligence:

- (a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Disclosure Documents and the Relevant Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.
- (b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets of the Company or any third party security provider for securing the Debentures, are registered / disclosed.
- (c) Further, in the event that existing charge holders, the concerned Trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.

- (d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws.
 - (e) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.
- B. The Company shall pay to the Debenture Trustee so long as it holds the office of the Debenture Trustee, remuneration and all reasonable costs, legal, travelling, charges and expenses as set out in the Debenture Trustee Consent Letter, for its services as the Debenture Trustee Arrears of the Debenture Trustee Fees, if any, shall carry interest at the rate specified in the Debenture Trustee Consent Letter.
- C. The Company shall comply with the provisions of SEBI Debenture Trustee Regulations, NCS Regulations, debt listing agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time), the Companies Act and other applicable provisions under applicable laws, regulations and guidelines in connection with the issuance, allotment, listing and ensuring continued compliance of the Debentures until the redemption in full of the Debentures. Further the Company undertakes to comply with all regulations/provisions of Companies Act, 2013 and guidelines of other regulatory authorities in respect of allotment of debentures till redemption⁵ of such Debentures.
- D. The Agreement shall be effective on and from the date of execution and shall be in force till all the moneys in respect of the Debentures have been fully paid-off or until the appointment of the Debenture Trustee is terminated in accordance with the Debenture Trust Deed.
- E. The Company shall inter-alia furnish / have furnished to the Debenture Trustee the following documents:
- a. Information Memorandum and/or Private Placement Offer Letter in relation to the Issue;
 - b. The necessary corporate authorisations by way of board resolution and/or shareholder resolution for the Issue;
 - c. Agreement with the registrar and transfer agent to the Issue;
 - d. Letters from the Rating Agency regarding the rating afforded to the Debentures;
 - e. The Debenture Trustee Agreement;
 - f. Proof of credit / dispatch of Debenture Certificates;
 - g. Details of the depository with whom the Debentures are held in dematerialised form;
 - h. Latest Annual Report of the Company;
 - i. Debenture Trust Deed;
 - j. Certificate issued by the registrar of companies in relation to the charge created to secure the Debentures;
 - k. Security documents executed in relation to the Debentures;
 - l. Confirmation/proofs of payment of interest and principal made to the Debenture Holders on the relevant due dates;

⁵ As per the SEBI DT Amendment Reg.2017

- m. Statutory Auditor's Certificate for utilization of funds/Issue proceeds;
- n. Periodical reports on quarterly basis as per SEBI Regulations;
- o. Information to be submitted to the recognized stock exchange, on which the Debentures are proposed to be listed, on half yearly basis as per the Uniform Listing Agreement;
- p. Beneficiary position reports as per list of debenture holders obtained from RTA;
- q. In principle approval for listing of the Debentures from the recognized stock exchange on which the Debentures are proposed to be listed;
- r. a resolution for allotment of Debentures and a list of the first allottees within a period of 30 (thirty) days from the date of allotment;
- s. a return of allotment filed with the registrar of companies (Form No-PAS 3) within 30 (thirty) days from the date of filing with the registrar of companies;
- t. a complete record of private placement offers made by the Company (Form No-PAS 5) within 30 (thirty) days from the date of filing with the registrar of companies;
- u. a confirmation on the listing of the Debentures;
- v. Certificate from the Director / Managing Director of the issuer company certifying the value of the book debts / receivables on a quarterly basis;
- w. Certificate from independent Chartered Accountant giving the value of book debts / receivables on a quarterly basis;
- x. Statutory auditor certificate, on a half yearly basis giving the value of book debt and receivables, including compliance with the covenants of the offer document/ information memorandum, in case where listed debt securities are secured by way of receivables;⁶
- y. Information to enable the Debenture Trustee to carry out the necessary due diligence and monitor the asset cover on a quarterly basis and to ensure the implementation of the conditions regarding creation of security for the debentures, if any, debenture redemption reserve and recovery expense fund ⁷
- z. Periodical reports / information on quarterly/ half yearly / annual basis as required to be submitted to stock exchanges under the SEBI Debenture Regulations, NCS Regulation, debt listing agreement or the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time);
- aa. Approval for listing of the Debentures from the stock exchange;
- bb. Listing application along with the required details / annexures submitted to the stock exchange ;
- cc. Listing & trading permission from the Stock Exchange;
- dd. Details of the recovery expenses fund to be created by the Company in the manner as may be specified by the SEBI from time to time alongwith duly acknowledged letter / confirmation from stock exchange on the amount of such fund maintained and the mode of maintenance.
- ee. Bank account details of the Company along with copy of pre-authorisation letter issued by Company to its banker in relation to the payment of redemption amount; and
- ff. Such other documents as may be reasonably required by the Debenture Trustee in accordance with the SEBI Regulations.

8. CONFIRMATION AND DECLARATION

- (i) The Company declares and confirms that the Company or the person(s) in control of the Company, or its promoter(s) have not been restrained or prohibited or debarred by the Securities Exchange Board of India from accessing the securities market or dealing in securities.

⁶ As per the SEBI Amendment DT Reg. 2020 (Regulation 15 (1) (t))

⁷ As per the SEBI Amendment DT Reg. 2020 (Regulation 15 (1) (h) and 15(1) (t))

- (ii) The Company hereby declares and confirms that, as on the date of this Agreement, and the date of filing the Offer Document/Placement Memorandum/Disclosure Document, it is an 'eligible issuer' in accordance with Regulation 5 (1) of the SEBI (Issue and Listing of Non-convertible Securities) Regulation, 2021
- (iii) The Company confirms that all necessary disclosures shall be made in the Information Memorandum including but not limited to statutory and other regulatory disclosures.
- (iv) The Company declares and confirms that it has given an undertaking in the offer document that the assets on which the charge is created is free from encumbrances and if assets are already charged to secure the debt, the permissions or consent to create *pari passu* charge on the assets of the Issuer will be obtained from existing creditors.
- (v) The Company agrees and confirms that the purpose of the issue is not for providing loan to or acquisitions of shares of any person who is a part of the same group or who is under the same management
- (vi) The Company confirms that all necessary disclosures shall be made in the Shelf Disclosure Document/Disclosure document/Private Placement Offer Letter including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Information Memorandum/Disclosure document/ Private Placement Offer Letter. Each prospective investor should make its own independent assessment of the merit of the investment in the Debentures and the Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Debentures.
- (vii) The Debenture 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 the subscribers to the Debentures.
- (viii) The Company agree & undertake to comply with all regulations / provisions of the Companies Act, 2013, guidelines of other regulatory authorities in respect of allotment of debentures till redemption.
- (ix) The Company agrees and undertakes that all stamp duty and other expenses pertaining to the issue of the Debentures and execution of the transaction documents including the instrument of Debentures shall be solely borne by the Company.
- (x) In terms of Clause 3.2 of the SEBI Circular dated 23.06.2020, the Company shall on or prior to the date of execution of Debenture Trust Deed, provide to the Debenture Trustee, the bank account details from which the Company proposes to make the payment of redemption amount due to the Debenture Holder. Further, the Company undertakes that it shall preauthorize the Debenture Trustee to seek the redemption amount payment related information from the Bank.

Information/ documents to be provided by the Issuer Company, prior to entering into the Agreement:

Sl. No.	Information/ Documents
i.	Details of/ information in relation to the assets on which charge is proposed to be created including: Details of Value of loans receivables;
ii.	<p>For encumbered assets, on which charge is proposed to be created, the following information/ consents along-with their validity as on date of their submission:</p> <ul style="list-style-type: none"> (a) Details of existing charge over the assets along with details of charge holders (b) value/ amount of the asset; (c) copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable; (d) Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets <p>or</p> <ul style="list-style-type: none"> (e) relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer Company to create further charge on the assets, along-with terms of such conditional consent/ permission, if any;
iii.	An undertaking confirming that all the information provided to the Trustee are true and correct and the trustee may in good faith rely upon and shall not be liable for acting or refraining from acting upon such information furnished to it under this Agreement.
iv.	Any other information, documents or records required by Debenture Trustee with regard to creation of security and perfection of security.

ANNEXURE V: APPLICATION FORM

HDFC CREDILA FINANCIAL SERVICES LIMITED
A public limited company incorporated under the Companies Act, 1956 with
CIN: U67190MH2006PLC159411
Date of Incorporation: February 1, 2006
Registered Office: B 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road, Andheri (East), Mumbai 400 059
Telephone No: +91-22-2826 6636; Fax: +91-22-2471 2447
Website: www.hdfcredila.com

DEBENTURE SERIES APPLICATION FORM SERIAL NO.

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ISSUE OF UPTO _____ SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES

Rs. 10,00,000/- (RUPEES TEN LAKHS ONLY) EACH AGGREGATING UPTO Rs. _____/- (RUPEES _____ ONLY), FOR CASH AT PAR TO THE FACE VALUE
DEBENTURE SERIES APPLIED FOR:
Number of Debentures _____ In words _____
Amount Rs. _____ /- in words <u>Rupees</u> _____ <u>Only</u>

DETAILS OF PAYMENT:
RTGS No. _____ Drawn on _____
Funds transferred to HDFC Credila Financial Services Limited Dated _____
Total Amount Enclosed (In Figures) _____ (In words) _____

APPLICANT'S NAME IN FULL (CAPITALS)	SPECIMEN SIGNATURE

APPLICANT'S ADDRESS

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT _____

WE ARE () COMPANY () OTHERS () SPECIFY

TAX RESIDENTIAL STATUS RESIDENT () NON-RESIDENT ()

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account : (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	Beneficiary Bank Name: Account No: IFSC Code: Branch:

B S R & Co. LLP

Chartered Accountants

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

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

Limited Review Report on Unaudited Financial Results of HDFC Credila Financial Services Limited for the quarter and half year ended 30 September 2021

To the Board of Directors of HDFC Credila Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited financial results of HDFC Credila Financial Services Limited ('the Company') for the quarter and half year ended 30 September 2021 ('the Statement').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed or that it contains any material misstatement.
5. As more fully described in Note 13 to the financial results, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

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

Chartered Accountants

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

AJIT
VISWANATH

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Date: 2021.10.20
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Mumbai
20 October 2021

Ajit Viswanath

Partner

Membership No: 067114

UDIN No:21067114AAAAFP7744

Registered Office:

HDFC CREDILA FINANCIAL SERVICES LIMITED
(formerly known as HDFC Credila Financial Services Private Limited)
(CIN: U67190MH2006PLC159411)

Regd. Office: B-301, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai 400 059
Tel No: 022-28266636 Website: www.hdfcredila.com Email: investor@hdfcredila.com

STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2021

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended 31 March 2021
	30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	
I Revenue from operations						
Interest income	18,976.51	17,237.98	17,294.37	36,214.49	35,041.44	69,705.90
Fees and commission income	699.56	211.23	280.65	910.79	368.24	879.89
Net gain/(loss) on fair value changes	(166.75)	140.29	592.15	(26.46)	770.95	760.75
Total revenue from operations	19,509.32	17,589.50	18,167.17	37,098.82	36,180.63	71,346.54
II Other income	-	-	-	-	-	0.01
III Total income (I + II)	19,509.32	17,589.50	18,167.17	37,098.82	36,180.63	71,346.55
IV Expenses:						
(a) Finance costs	10,156.09	9,381.81	11,312.78	19,537.90	22,724.58	41,869.15
(b) Impairment on financial instruments (Expected credit loss)	281.80	157.69	(62.98)	439.49	(41.62)	884.55
(c) Employee benefits expense	1,258.73	1,019.10	840.10	2,277.83	1,671.11	3,543.51
(d) Depreciation and amortisation	84.38	85.51	61.20	169.89	129.20	316.79
(e) Other expenses	1,057.42	1,035.55	1,058.20	2,092.97	1,756.77	3,954.81
Total expenses	12,838.42	11,679.66	13,209.30	24,518.08	26,240.04	50,568.81
V Profit before tax (III - IV)	6,670.90	5,909.84	4,957.87	12,580.74	9,940.59	20,777.74
VI Tax expense						
(a) Current tax	1,795.63	1,814.03	1,220.93	3,609.66	2,565.67	5,414.00
(b) Deferred tax	(113.36)	(325.62)	55.23	(438.98)	6.34	(159.09)
Total tax expense	1,682.27	1,488.41	1,276.16	3,170.68	2,572.01	5,254.91
VII Net profit after tax (V - VI)	4,988.63	4,421.43	3,681.71	9,410.06	7,368.58	15,522.83
VIII Other comprehensive income	207.84	(14.71)	276.88	193.13	(235.33)	260.51
IX Total comprehensive income (VII + VIII)	5,196.47	4,406.72	3,958.59	9,603.19	7,133.25	15,783.34
X Earnings per share						
(a) Basic (₹)	3.79	3.35	2.79	7.14	5.59	11.78
(b) Diluted (₹)	3.79	3.35	2.79	7.14	5.59	11.78
(c) Face value per share (₹)	10.00	10.00	10.00	10.00	10.00	10.00
XI Disclosures under Regulation 52(4)						
1. Debt-Equity ratio	5.4	4.5	5.1	5.4	5.1	4.7
2. Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
3. Capital redemption reserve / Debenture redemption reserve	-	-	-	-	-	-
4. Net worth*	121,937.38	116,816.75	104,058.33	121,937.38	104,058.33	112,706.60
5. Total debts to total assets (%)	81.90%	78.46%	81.10%	81.90%	81.10%	79.82%
6. Net profit margin (%)	25.57%	25.14%	20.27%	25.36%	20.37%	21.76%
7. Sector specific equivalent ratios						
(a) Gross Stage 3 %	0.65%	0.66%	0.12%	0.65%	0.12%	0.60%
(b) Net Stage 3 %	0.45%	0.45%	0.10%	0.45%	0.10%	0.40%

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

Note: Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital ratio, Bad debts to account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable.

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

Notes :

1 Statement of Assets and Liabilities as on 30 September 2021

(₹ in Lakhs)

Particulars	As at 30 September 2021	As at 31 March 2021
	Reviewed	Audited
ASSETS		
Financial assets		
i. Cash and cash equivalents	1,052.76	10,741.60
ii. Bank balances other than (i) above	244.56	276.10
iii. Derivative financial instruments	2,183.51	1,647.15
iv. Trade receivables	312.44	29.56
v. Loans	765,617.55	623,041.77
vi. Investments	21,353.64	20,877.90
vii. Other financial assets	2,551.73	699.50
Total financial assets	793,316.19	657,313.58
Non financial assets		
i. Current tax assets (net)	87.94	85.22
ii. Deferred tax assets (net)	2,047.96	1,698.00
iii. Property, plant and equipment	920.72	837.48
iv. Other intangible assets	18.35	25.02
v. Intangible assets under development	29.72	-
vi. Other non financial assets	343.38	345.34
Total non financial assets	3,448.07	2,991.06
Total assets	796,764.26	660,304.64
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
i. Derivative financial instruments	4,707.91	5,593.50
ii. Trade payables		
(a) Total outstanding dues of micro enterprises & small enterprises	16.03	169.04
(b) Total outstanding dues other than micro enterprises & small enterprises	2,025.57	1,315.13
iii. Debt securities	242,662.20	185,143.87
iv. Borrowings (other than debt securities)	348,901.40	281,373.21
v. Subordinated liabilities	60,951.76	60,543.26
vi. Other financial liabilities	11,829.97	10,481.33
Total financial liabilities	671,094.84	544,619.34
Non financial liabilities		
i. Current tax liability (net)	438.64	67.31
ii. Provisions	491.33	435.40
iii. Other non financial liabilities	706.04	752.97
Total non financial liabilities	1,636.01	1,255.68
EQUITY		
i. Equity share capital	13,179.82	13,179.82
ii. Other equity	110,853.59	101,249.80
Total equity	124,033.41	114,429.62
Total liabilities and equity	796,764.26	660,304.64

Notes (continued)

2 Statement of cash flow for the half year ended 30 September 2021

(₹ in Lakhs)

Particulars	For the half year ended 30 September 2021	For the half year ended 30 September 2020
	Reviewed	Reviewed
A. Operating activities		
Profit before tax	12,580.74	9,940.59
<i>Adjustments to reconcile profit before tax to net cash flows :</i>		
Depreciation & amortisation	169.89	129.20
Impairment on financial instruments (Expected credit loss)	439.49	(41.62)
(Profit)/loss on property, plant and equipment sold/discarded	2.94	2.30
Interest income	(36,214.49)	(35,041.44)
Interest expense	19,495.18	22,279.28
Provision for employee benefits	28.97	52.87
Net gain on fair value changes	26.46	(770.95)
	(3,470.82)	(3,449.77)
Cash inflow towards interest received	28,916.95	21,383.96
Cash outflow towards interest paid	(19,537.66)	(21,499.28)
Cash generated from operations before working capital changes	5,908.47	(3,565.09)
Working capital changes		
(Increase) / Decrease in financial assets and non financial assets	(243.18)	13.33
Increase / (Decrease) in financial and non financial liabilities	536.61	712.55
Net cash from operations	6,201.89	(2,839.21)
Loans disbursed (net)	(135,712.27)	27,754.18
(Investment)/Redemption in/from cash management Schemes of mutual funds (net)	3,465.96	4,029.97
(Investment)/Redemption in/from treasury activities (net)	(3,651.79)	(3.86)
Income tax paid	(3,217.05)	(2,429.05)
Income tax refund	-	16.18
Net cash flows from/(used in) operating activities	(132,913.26)	26,528.21
B. Investing activities		
Purchase of property, plant and equipment and intangible assets (including intangible assets under development)	(47.55)	(84.41)
Proceeds from sale of property and equipment	0.13	-
Net cash flows from/(used in) investing activities	(47.42)	(84.41)
C. Financing activities		
Debt securities issued	84,143.66	41,988.86
Debt securities repaid	(27,500.00)	(62,500.00)
Borrowings (other than debt securities) taken	126,677.88	30,500.00
Borrowings (other than debt securities) repaid	(59,914.98)	(67,660.87)
Lease payments	(134.71)	(103.18)
Net cash flows from/(used in) financing activities	123,271.84	(57,775.19)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(9,688.84)	(31,331.39)
Cash and cash equivalents at the beginning of the period	10,741.60	38,139.26
Cash and cash equivalents at the end of the period	1,052.76	6,807.87

Notes (continued)

- 3 The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India (RBI) classified as an Investment and Credit Company (NBFC-ICC).
- 4 The above financial results for the quarter and half year ended 30 September 2021 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 20 October 2021. The financial results have been subjected to a limited review by the statutory auditors of the Company and their report thereon is unmodified.
- 5 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. Accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act 2013 ('the Act'), and other recognized accounting practices generally accepted in India, in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021. These financial results have been prepared in the format prescribed under the notified schedule III of the Companies Act, 2013 for Non-Banking Financial Companies issued by Ministry of Corporate Affairs (MCA) on 11 October 2018, as amended, and on the basis of Ind-AS that are applicable to the Company based on the MCA Notification GSR 111(E) and GSR 365(E) dated 16 February 2015 and 31 March 2016 respectively.
- 6 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed Commercial Papers on BSE Limited.
- 7 The Company is primarily engaged in the business of financing and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with operating segment.
- 8 The secured, listed, non convertible debentures of the Company are secured by pari passu charge on the education loan receivables of the Company with an asset cover of 1.05 times of the principal outstanding and interest accrued thereon.
- 9 The asset cover available for the secured, listed, non convertible debentures of the Company as on 30 September 2021 is 1.05.
- 10 Other equity contains statutory reserve as per Section 45 IC of Reserve Bank of India Act, 1934, balance in securities premium, capital reserve, impairment reserve created under RBI notification on "Implementation of Indian Accounting Standards" dated 13 March 2020, other comprehensive income and surplus in statement of profit and loss.
- 11 Earnings per equity share for the quarter and half year ended 30 September 2021 and comparative periods have not been annualised.
- 12 The figures for the quarter ended 30 September 2021 and 30 September 2020 are the balancing figures between reviewed figures in respect of the half year ended 30 September 2021 and 30 September 2020 and the reviewed figures for the quarter ended 30 June 2021 and 30 June 2020 respectively.
- 13 The COVID -19 pandemic continues to have a considerable impact on economic activities across the globe. In April-May 2021, India experienced a "second wave" of COVID-19 with a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country leading to re-imposition of regional lockdowns. These have been gradually lifted with the ebbing of the second wave.
The impact of COVID-19 has led to changes in customer behavior, travel restrictions both domestic & international and decrease in economic activities. With the gradual easing of the lockdowns the economic activities have picked up but yet to reach the pre covid levels. The final impact of the global health pandemic continues to be uncertain and the actual impact on these financial results may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. Given the dynamic and evolving nature of pandemic, the management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.
The Company continues to hold management overlay in relation to COVID-19 aggregating ₹ 1,779.55 lakhs (previous year ₹ 2,072.89 lakhs) in this regard.

Notes (continued)

- 14 The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards provident fund and gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results following the Code becoming effective and the related rules being framed and notified. The Company has taken professional opinion in this regard and will ensure that it makes adequate provisions to remain compliant with all requirements.
- 15 Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021 is attached as **Annexure 1**.
- 16 The Company is not required to create debenture redemption reserve in terms of the Companies (Share Capital and Debenture) Rules, 2014 read with the Companies (Share Capital and Debenture) Amendments Rules, 2019.

For and on behalf of Board of Directors

HDFC Credila Financial Services Limited

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Arijit Sanyal

Managing Director & CEO
(DIN – 08386684)

Date : 20 October 2021

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Date: 2021.10.20
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Annexure 1

Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and dated 5 May 2021:

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated 6 August 2020 are given below.

As at 30 September 2021

Format A

(₹ in Lakhs except number of accounts)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal loans	133	3,954.79	-	-	666.65
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	133	3,954.79	-	-	666.65

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Format B

(₹ in Lakhs except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal loans	4,111.21	-	-	174.12	3,937.09
Corporate persons*					
Of which, MSMEs					
Others					
Total	4,111.21	-	-	174.12	3,937.09

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

During the half year, the Company has offered resolution plan to its customers pursuant to RBI's guideline on 'Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses' dated 5 May 2021. The Company has invoked resolution plans in case of 77 eligible loan accounts having an aggregate exposure of ₹ 2,368.17 lakhs. The Company has reviewed and assessed the staging of these cases in accordance with the Company's provisioning policy under the ECL framework.

Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021 are given below:

(₹ in Lakhs except number of accounts)

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	77	-	-
(B)	Number of accounts where resolution plan has been implemented under this window *	53	-	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	1,583.67	-	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	293.75	-	-

* There was 1 borrower account having an aggregate exposure of ₹ 78.39 lakhs to the Company, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated 6 August 2020 and now modified under RBI's Resolution Framework 2.0 dated 5 May 2021.