

### SUMMARY TERM SHEET

Issuer	HDB Financial Services Limited
Arranger	ICICI Securities Primary Dealership Ltd.
Type of Instrument	Unsecured Non Convertible Subordinate Bond
Nature of Instrument	Unsecured
Seniority	Subordinate
Mode of Issue	Private placement
Eligible Investors	<p>(a) Commercial Bank,                      (b) Co-operative Bank,                      (c) Regional Rural Bank,                      (d) Provident Fund, Superannuation Fund or Gratuity Fund,                      (e) Pension Fund                      (f) Mutual Fund,                      (g) Company, Bodies Corporate, Statutory Corporation,                      (h) Registered Society,                      (i) Partnership firm,                      (j) Hindu Undivided Family ("HUF")                      (k) Individual,                      (l) Private trust,                      (m) Insurance Company,                      (n) Portfolio Manager or</p> <p>Any other investor permitted to invest in bonds of Indian body corporate.</p>
Listing	<p>Proposed to be listed on the Wholesale Debt Market (WDM) Segment of the BSE Ltd.</p> <p>In the event that any Bond Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors, or Qualified Foreign Investors, the Issuer shall get the securities listed on the BSE within 15 days of allotment.</p> <p>In case of delay in listing of this Tranche beyond 20 (Twenty) days from the deemed date of allotment, the Company will pay penal interest, of 1% (one percent) p.a. over the interest/coupon rate/implicit yield from the expiry of 30 (thirty) days from the deemed date of allotment till the listing of this Tranche, to the investor.</p>
Rating of the Instrument	Credit Analysis & Research Limited (CARE) has assigned a "CARE AAA" (pronounced "CARE Triple AAA") and Crisil Limited has assigned a "CRISIL AAA/Stable" (pronounced "CRISIL Triple A with stable outlook), to this long term Bond issue programme of upto Rs.2000 crores, of the Company. Instruments with this rating are considered to have the high



	degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
Issue Size	The aggregate size of the Issue program is for Rs.2000,00,00,000/- (Rupees Two Thousand Crore only), which Issue shall comprise of one or more Tranches of Bonds, out of which the aggregate size of this Tranche is Rs.170,00,00,000/- (Rupees One Hundred and Seventy Crores only)
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue	Onward lending, working capital and/or its general corporate requirements
Details of the utilization of the Proceeds	The proceeds of the Issue comprising of this Tranche would be utilised by the Company, inter-alia, for disbursements of loans to borrowers, refinancing existing borrowings, augmenting the working capital requirements of the Company, and for the general corporate purposes of the Company.
Step Up/Step Down Coupon Rate	N.A.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	N.A.
Day Count Basis	Actual/ Actual
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% (Two percent) p.a. over the applicable coupon rate will be payable by the Company from the date of the occurrence of the default until the default is cured or the bonds are redeemed pursuant to such default, as applicable.
Discount at which security is issued and the effective yield as a result of such discount.	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Rollover Option	N.A.
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Bond
Minimum Application and in multiples of ___ Debt securities thereafter	Minimum 10 Bonds and in multiples of 10 Bonds thereafter
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only



Settlement mode of the Instrument	Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT / RTGS / other permitted mechanisms
Depository(ies)	NSDL / CDSL
Business Day	Any day of the week, excluding: i. Sundays ii. Any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Maharashtra iii. any other day on which banks are closed for customer business in Mumbai, India.
Business Day Convention	Should any of the Due date(s), as defined above or elsewhere in the related Offer Documents fall on a non-business Day, the next Business Day shall be considered as the effective date for the purpose of coupon/interest payment and the previous Business Day shall be considered as the effective date for the purpose of payment of redemption proceeds. All interest & redemption calculations shall be made upto one day prior to the date of actual payment.
Record Date	15 (Fifteen) days prior to any Due Date
Transaction Documents	As per IM
Conditions Precedent to Disbursement	As per the relevant Bond Trust Deed
Condition Subsequent to Disbursement	As per the relevant Bond Trust Deed
Events of Default	As per the relevant Bond Trust Deed
Provisions related to Cross Default Clause	As per the relevant Bond Trust Deed
Covenants	As per the relevant Bond Trust Deed
Role and Responsibilities of Bond Trustee	To oversee and monitor the overall transaction for and on behalf of the Bond Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents.
Governing Law and Jurisdiction	The Issue shall be governed by and construed in accordance with Indian Law and the courts of Ahmedabad, Gujarat, India shall have exclusive jurisdiction.
FII Investment	The guideline for FII Investment in Debt Securities issued by RBI on March 1, 2012 vide its circular no.89 will be complied with for listing of the above Bonds.

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



**Sub Debt Series 2016 I/1/11**

Security Name	HDB/8.05%/Annual/2026_ Series 2016 I/1/11 .
Tranche Size	Rs.170,00,00,000/- (Rupees One Hundred & Seventy Crores only)
Issue Price	Rs. 10,00,000/- per Bond
Interest/Coupon Rate	8.05% p.a.
Coupon Type	Annual Coupon
Redemption Premium / Discount	N.A.
Redemption Amount	Rs.10,00,000/- per Bond
Interest on Application Money	8.05% p.a.
Tenor	3650 days from the deemed date of allotment i.e. Tuesday, December 6, 2016
Issue Timing	Tranche Opening Date : Tuesday, December 6, 2016 Tranche Closing Date : Tuesday, December 6, 2016 Pay-in Date : Tuesday, December 6, 2016 Deemed Date of Allotment : Tuesday, December 6, 2016
Redemption Date	Friday, December 04, 2026

**Disclosure of cash flows (pursuant to SEBI Circular no. CIR/IMD/DF/18/2013 dated 29<sup>th</sup> October 2013)**

Company	HDB Financial Services Limited
Face Value (per security)	Rs.10,00,000/- per instrument
Issue Date/Date of Allotment	Tuesday, December 6, 2016
Redemption	Friday, December 4, 2026
Coupon Rate	8.05% p.a.
Frequency of the interest payment with specified dates	Payable Annually, Wednesday, December 06, 2017 Thursday, December 06, 2018 Friday, December 06, 2019 Monday, December 07, 2020 Monday, December 06, 2021 Tuesday, December 06, 2022 Wednesday, December 06, 2023 Friday, December 06, 2024 Monday, December 08, 2025 and on maturity i.e. Friday, December 04, 2026
Day Count Convention	Actual/Actual



Cash Flows	Date	Day	No. of Days in Coupon Period	Amount in Rupees per bond of Rs.10 lakhs
1st coupon	December 06, 2017	Wednesday	365	80500.00
2nd coupon	December 06, 2018	Thursday	365	80500.00
3rd coupon	December 06, 2019	Friday	365	80500.00
4th coupon	December 07, 2020	Monday	367	80719.95
5th coupon	December 06, 2021	Monday	364	80279.45
6th coupon	December 06, 2022	Tuesday	365	80500.00
7th coupon	December 06, 2023	Wednesday	365	80500.00
8th coupon	December 06, 2024	Friday	366	80500.00
9th coupon	December 8, 2025	Monday	367	80941.10
10th coupon	December 04, 2026	Friday	361	79617.81
Principal Repayment	December 04, 2026	Friday	-	10,00,000/-

#### MODE OF PAYMENT

All cheques/drafts/transfers/RTGS must be made payable to "HDB Financial Services Limited". Details for RTGS payments are mentioned herein below:

Name of Bank	HDFC Bank Ltd.
Branch	Fort
IFSC Code	HDFC0000060
Account number	00600310034720
Type of Account	Current
Name of Account	HDB FINANCIAL SERVICES LTD APPLICATION MONEY ACCOUNT
Name of beneficiary	HDB FINANCIAL SERVICES LTD

For HDB Financial Services Limited



*H Parekh*

**Authorised Signatory**

**Name:** Haren Parekh

**Title :** Chief Financial Officer

**Date :** December 5, 2016