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(This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus). This is only an information brochure intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to debentures under any law for the time being in force.

This Disclosure Document/Placement Memorandum is as per Schedule II of SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, and any amendments thereto and the - Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 prescribed by the Reserve Bank of India (“RBI Directions”) and private placement offer letter, pursuant to section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time.



Hero Housing Finance Ltd.


Registered Office: 9, Community Centre, Basant Lok, Vasant Vihar, Delhi 110 057

Corporate Office: 7, Community Centre, Basant Lok, Vasant Vihar, Delhi 110 057





Tel: +91 11 49267000, **Fax:** +91 11 49487197, **E-mail:** investors@herohfl.com

Website - www.herohousingfinance.com; **CIN:** U65192DL2016PLC301481

Issuer Information

a.	Name of Issuer	Hero Housing Finance Limited [CIN: U65192DL2016PLC301481]
	PAN	AADCH9153R
	Date and Place of Incorporation	June 16, 2016, Delhi
	Latest Registration/Identification No.	07.0159.17 (NHB)
	Registered Office of the Issuer	09, Community Centre, Basant Lok, Vasant Vihar, Delhi 110 057
	Corporate Office of the Issuer	07, Community Centre, Basant Lok, Vasant Vihar, Delhi 110 057 Tel No. +91 11 49267000
b.	Compliance Officer & Company Secretary of the Issuer Website	Ms. Suruchi Jassi, Compliance Officer & Company Secretary Phone No.: +91 11 49267000 E-mail: suruchi.jassi@herohfl.com
	CFO of the Issuer	Mr. Dhoop Mittal, Chief Financial Officer Phone No.: +91 11 49267000 E-Mail: dhoop.mittal@herohfl.com
	Promoters	Hero FinCorp Limited Phone No.: +91 11 49487150 E-Mail: investors@herofincorp.com
c.	Trustee to Issue	Vistra ITCL (India) Ltd. Mr. Jatin Chonani  The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai – 400051. Tel No. 022-2659 3535 E-Mail: mumbai@vistra.com Website: www.itclindia.com
	Auditors of Issuer	G S A & Associates LLP Mr. Tanuj Chugh G S A & Associates LLP Chartered Accountants

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		16 DDA Flats, GF, Panchsheel Shivalik Mor, Near Malviya Nagar, New Delhi-110017 E-Mail: gsa@gsa.net.in Tel No. 011-41811888	
	Credit Rating for this issue Name, Address, Logo Tel number	CRISIL Rating Limited Mr. Malvika Bhotika CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 Email: CRISILratingdesk@crsil.com Website: www.crisil.com Logo:  	ICRA Rating Limited Mr. Karthik Srinivasan Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001 Phone: +91 9354738909 Email: info@icraindia.com Website: www.icra.in Logo: 
d.	Date of Placement Memorandum/ Type of placement of memorandum	February 10, 2023 Private Placement Basis	
e.	The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	Hero Housing Finance Ltd. (Issue Series No. HHFL/NCD/008) Secured Listed Redeemable Non-Convertible Debenture (“ Debentures ”) of the face value of ₹1,00,000/- each at par, with marketable lot of one, for cash aggregating ₹15 Crore (the “ Issue ”) with a green shoe option to retain additional subscription up to ₹75 Crore, aggregating ₹90 Crore.	
f.	The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf placement memorandum	Not applicable	
g.	Registrar for the Issue	KFin Technologies Private Limited Mr. Umesh Pandey Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Email: umesh.pandey@kfintech.com Website: www.kfintech.com Tel No. 040 -67162222, Fax: 040- 23001153	
h.	Tentative Issue Timing: 1. Issue / bid Opening Date 2. Issue / bid Closing Date 3. Pay – in – Date 4. Deemed Date of Allotment 5. date of earliest closing of the issue, if any	Kindly refer Term Sheet from Page No. 68 to 74	

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i.	The Credit ratings (cross reference of press release be provided);	<p>The Debentures have a long-term rating of “CRISIL AA+ /Stable” by CRISIL and “ICRA AA+ /Stable” by ICRA. These indicates “high degree of safety with regard to timely servicing of financial obligations” with respect to timely payment of interest and principal on the instrument.</p> <p>Link:</p> <p>CRISIL:</p> <p>https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/HeroHousingFinanceLimited_October%2010,%202022_RR_302305.html</p> <p>ICRA:</p> <p>https://www.icra.in/Rationale/ShowRationaleReport?Id=114460</p> <p><i>The rating is not a recommendation to buy, sell or hold Debentures and investors should take their own decision. The rating may be subject to suspension, revision or withdrawal at any time by the assigning Credit Rating Agency on the basis of factors such as new information or unavailability of information or other circumstances which the Credit Rating Agency believes may have an impact on its rating.</i></p>	
j.	All the ratings obtained for the private placement	CRISIL ICRA	CRISIL AA+/Stable ICRA AA+/Stable
k.	The name(s) of the stock exchanges where the securities are proposed to be listed	<p>National Stock Exchange of India Limited (NSE)</p> <p>The Debentures are proposed to be listed on the wholesale debt market segment (WDM) of the National Stock Exchange of India Ltd. (“NSE” or the “Stock Exchange”). The Debentures to be issued will be listed on the WDM of NSE within 3 exchange Working Days of the closure of the issue.</p>	
l.	Eligible investors	<p>Companies and Bodies Corporate including – Public Sector Undertakings Commercial Banks including Regional Rural Banks Financial Institutions Insurance Cos Mutual Funds Trusts Provident / Pension / Super-Annuation / Gratuity Funds Venture Capital Funds National investment funds Any other investor authorized to invest in these Debentures (Above list is illustrative only. Investor are requested to check their eligibility to invest in the instrument as per rules, regulations, guidelines, statute or any government order applicable to them. Issuer has not checked the eligibility for any class of investor.)</p>	
m.	Coupon / dividend rate, Coupon dividend payment frequency, redemption date, redemption amount	Kindly refer Term Sheet from Page No. 68 to 74	
n.	Nature and issue size, base issue and green shoe option,	Kindly refer Term Sheet from Page No. 68 to 74	

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	if any, shelf or tranche size, each as may be applicable;	
o.	Details about underwriting of the issue including the amount undertaken to be underwritten by underwriters;	Not applicable
p.	Inclusion of compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable	The bidding process, parameters and requirements for the Debentures issued pursuant to the electronic bidding mechanism will be in accordance with the operational guidelines issued / modified from time to time by NSE and SEBI or issued by any other authority from time to time.
q.	WILFUL DEFAULTER	Neither our Company, nor any of our director/promoter has been declared as a wilful defaulter.
r.	Annexure to placement Document	<ol style="list-style-type: none">1) Copy of Board Resolution2) Copy of Shareholders Resolution3) Credit Rating Letter4) Consent from the RTA5) Consent from Debenture Trustee6) Unaudited Financials for the Quarter ended December 31, 2022 and Limited Review Report for the standalone financial information on quarterly basis i.e. 31.12.20227) Application form8) Due Diligence Certificate9) In principle approval letter

GENERAL RISKS

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.

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1) DISCLAIMER OF THE ISSUER

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus. The issue of Debentures to be listed on the Stock Exchange 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. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general. This Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act, 2013.

This Disclosure Document/Placement Memorandum has been prepared in conformity with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and its amendment from time to time and ***the - Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 prescribed by the Reserve Bank of India (“RBI Directions”)***. Therefore, as per the applicable provisions, copy of this Disclosure Document/Placement Memorandum has not been filed or submitted to the SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, as per the applicable provisions of the Companies Act, 2013, a copy of this Disclosure Document is required to be filed with the Registrar of Companies.

This Disclosure Document/Placement Memorandum has been prepared to provide general information about the Issuer and the Debentures to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Issue. This Disclosure Document/Placement Memorandum does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document/Placement Memorandum nor any other information supplied in connection with the Issue is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document/Placement Memorandum should not consider such receipt a recommendation to subscribe to the Issue or purchase any Debentures. Each investor contemplating subscribing to the Issue or purchasing 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 analyze such investment and the suitability of such investment to such investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document 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.

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.

This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by or on behalf of 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 Disclosure Document 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.

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No invitation is being made to any persons other than those to whom Application Forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer.

Each person receiving this Disclosure Document acknowledges that:

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and such person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision;

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer;

Neither the delivery of this Disclosure Document nor any issue of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof;

This Placement Memorandum/Disclosure Document 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 Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to the Stock Exchange for hosting the same on its website. It is to be distinctly understood that such submission of the Disclosure Document with Stock Exchange or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor does it warrant that this Issuer's Debentures will be listed or continue to be listed on the Stock Exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any Debentures of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange 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.

DISCLAIMER CLAUSE OF NATIONAL HOUSING BANK

The Company is having a valid Certificate of Registration dated August 21, 2017 issued by the National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987 ("NHB Act"). However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for repayment of deposits / discharge of liabilities by the Company.

DISCLAIMER BY ISSUER ON VALUATION

The Valuation reflects the independent views of the Valuation Agent. It is expressly stated that the valuation is not the view of the Issuer or its affiliates. The Issuer has not reviewed the Valuation and is not responsible for the accuracy of the Valuations. The Valuations provided by the Valuation Agent, and made available on the website of the Issuer and the Valuation Agent do not represent the actual price that may be received upon sale or redemption of the Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The Valuations provided by the Valuation Agent may include the use of models by the Valuation Agent (that may be different from the proprietary models used by the Issuer and/or the calculation agent) and consequently, valuations provided by other parties (including the Issuer and/or the calculation agent) may be significantly different.

2) DEFINITIONS / ABBREVIATIONS

THE COMPANY / ISSUER / HHFL	Hero Housing Finance Limited ("HHFL" / "the issuer" / "Company"), is a public limited company incorporated under the Companies Act, 2013 and is registered with National Housing Bank (NHB) under Section 29A of the NHB Act, as a Non-Deposit Taking Housing Finance Company.
ARRANGERS	Lead Arranger and /or any other Arranger associated with the Issuance
ARTICLES	Articles of Association of the Company
ALM	Asset Liability Management
APPLICABLE LAW	Includes all applicable statute, enactments or act of any legislative body in India, Laws, Ordinances, Rules, By-Laws, Regulations, Notifications, Guidelines, Policies, Directions, Directives and Order of any Governmental Authority and any Modifications or Re-Enactments thereof.
BOARD/ BOARD OF DIRECTOR(S)	Board of Directors of Hero Housing Finance Limited
BUSINESS DAY/ WORKING DAY	A day which is not a Saturday, Sunday or a Public Holiday and on which commercial banks open for business in Mumbai and New Delhi the clearing of cheque and RTGS facilities are available and the Stock Exchanges are open for trading.
BSE	Bombay Stock Exchange (BSE)
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
CDSL	Central Depository Services (India) Limited
DATE OF SUBSCRIPTION	Date of realisation of proceeds of subscription money in the bank account of the Company or in the settlement account as provided by Electronic Bidding Platform
DEBENTURES / NCDS	Secured Rated, Listed Redeemable Non-Convertible Debenture of face value of Rs. 1,00,000/- each
DEBENTURE HOLDER(S)	Person(s) holding debentures(s) and whose name is recorded as beneficial owner with the depository (if the debentures are in dematerialized form) as defined under Section 2 of the Depositories Act, 1996) or the person (s) whose name appears as holder of debentures in the register of debentures (if the debentures are in physical form)
DEBENTURE TRUSTEE	Vistra ITCL (India) Limited, as trustee for the benefit of the debenture holders
DEPOSITORY	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996 as amended from time to time.
DEPOSITORY PARTICIPANT / DP	A depository participant as defined under Depositories Act, 1996, as amended from time to time
EBP BSE	Electronic Bidding Platform of Bombay Stock Exchange
EBP NSE	Electronic Bidding Platform of National Stock Exchange of India Limited
FINANCIAL YEAR / FY	Financial Year of the Company i.e. a period commencing from 1st April and ending on 31st March of the next Calendar Year
I.T ACT	The Income Tax Act, 1961 (as amended from time to time)

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ISSUE	Private Placement of Listed Rated Secured Redeemable Non-Convertible Debenture of face value of Rs. 1,00,000/- each, aggregating ₹ 15 crore with a green shoe option to retain oversubscription of up to ₹ 75 crore only aggregating to total ₹ 90 crore only. The Company has completed the process of allotment of NCD's with respect to earlier offer(s) or invitation(s) and has complied with the provisions of Sections 42(3) of the Companies Act, 2013, the SEBI Regulations and RBI Directions and such other Laws, as may be applicable from time to time.
MANAGEMENT CONTROL	<p>"Management Control" or "Control" shall mean –</p> <p>a) holding by any person of more than 50% of the voting share capital of the company and ability of that person to direct or cause direction of the management and policies of the company, whether by operation of law or by contract or otherwise; or</p> <p>b) the ability of that person to appoint more than 50% of the directors on the board of the company and ability of that person to direct or cause direction of the management and policies of the company, whether by operation of law or by contract or otherwise;</p>
MCA	Ministry of Corporate Affairs, Government of India
NHB	National Housing Bank, established under The National Housing Bank Act, 1987 and amendments thereto from time to time.
RBI DIRECTIONS	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and amendments thereto
NPA	Non-Performing Assets
NSE	National Stock Exchange
PROMOTER	Hero Fincorp Limited
ROC	The Registrar of Companies
RBI	The Reserve Bank of India
SEBI REGULATIONS	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI and as amended by the SEBI from time to time and any other relevant notifications issued by SEBI for issuance of the debentures and as amended from time to time.
SECURITY TRUSTEE AGREEMENT	For the purposes of monitoring and enforcement of all securities, that have been provided by HHFL to the Banking Lenders on pari-passu basis to secure the facilities, Vistra ITCL (India) Limited (erstwhile IL&FS Trust Company Limited) ("Security Trustee") was appointed as security trustee vide security trustee agreement dated 23rd April 2019, ("Security Trustee Agreement")
STOCK EXCHANGE / DESIGNATED STOCK EXCHANGE / NSE	National Stock Exchange of India Limited
TERM SHEET	Term Sheet to be issued by the Company for any series containing the issue price, coupon rate and other conditions regarding Debentures.
DD	Demand Draft
DRR	Debenture Redemption Reserve
HFC	Housing Finance Company

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NOC	No Objection Certificate(s)
NBFC	Non- Banking Financial Company
NEFT	National Electronic Fund Transfer
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
₹	Rupees
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
TDS	Tax Deduction at Source
WDM	Wholesale Debt Market
ISIN	International Securities Identification Number
NSCCL	National Securities Clearing Corporation Limited

All other Capitalised Terms not defined above shall have the meaning assigned to them in “Issuer Information” and “Issue Details” of this Disclosure Document.

3) DISCLOSURES AS REQUIRED UNDER SEBI REGULATIONS

1. The following documents have been/ shall be submitted to the NSE:
 - A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
 - B. Copy of last 3 years audited Annual Reports;
 - C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
 - D. Copy of the Board/Committee Resolution authorizing the borrowing and list of authorized signatories;
 - E. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, wherever applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the Designated Stock Exchange, where the Debentures would be listed, within five working days of execution of the same;
 - F. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.
2. 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 years audited Annual Reports;
 - C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
 - D. Latest standalone financial information (quarterly/half yearly/annually) including profit & loss statement, balance sheet and cash flow statement and auditor qualifications, if any.
 - E. An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point D above to the Trustee within the timelines as mentioned in the 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

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furnishing / publishing its quarterly/half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request.

- F. Pursuant to the Debenture Trustee Agreement dated February 07, 2023, the Company will submit the required details along with the necessary documents mentioned in the checklist of the listing application, for the purpose of listing the Debentures on the Wholesale Debt Markets segment of the Bombay Stock Exchange Limited and/or National Stock Exchange ("Stock Exchange"), after the allotment of the Debentures, and will apply to obtain the listing approval from the Stock Exchange. A copy of the listing approval received from the Stock Exchange will be forwarded to the Debenture Trustee.
- G. An undertaking to the effect that the charge shall be created in favour of Debenture Trustee and we shall execute the Debenture Trust deed and Deed of Hypothecation before listing and the charge shall be registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI), Depository etc., as applicable, within 30 days of creation of charge.

4) UNDERTAKING BY THE ISSUER

- (a) Investors are advised to read the risk factors (*as set herein below*) 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 [15] under the section 'Risk Factors'.
- (b) 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.
- (c) 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.
- (d) **The Credit rating is valid as on the date of issuance and listing.**

5) RISK FACTORS

The following are some of the risks envisaged by the management. Investors should consider the same carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to Hero Housing Finance Limited only. If any one of the risks occurs, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Company's debt securities could decline.

The Issuer believes that the factors described below represent the principal risks inherent in investing in NCDs issued under this Disclosure Document, but the inability of the Issuer, as the case may be, to pay coupon, principal or other amounts on or in connection with any NCDs may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any NCDs are exhaustive.

Prior to making an investment decision, potential investors should carefully consider, along with the other matters set out in this Disclosure Document, the following risk factors that may affect investment considerations.

Note: 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:

(A) INTERNAL RISK FACTORS

- 1. As an HFC, one of the most important risks affecting the profitability of the Company is the risk of non-payment by the borrowers and other counterparties.**

Since most of our Company's borrowers are individuals and small and medium size companies, etc. our Company's credit risk could be higher due to their potential inability to adapt to changes in the economic and industrial scenario and global technological changes as also changes in the Indian regulatory and political environment. This may lead to an increase in the number and value of our Company's NPAs.

Our Company is exposed to the risk that third parties which owe us money, securities or other assets may not perform their obligations. These parties may default on their obligations to us due to various reasons including bankruptcy, lack of liquidity, operational failure, and other reasons. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could expose our Company to potential losses.

Although our Company regularly reviews credit exposures to clients and counterparties, and to industries and geographical regions that our Company believes may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

- 2. The Company may be exposed to the potential loss of less recovery of value of collaterals due to market conditions or delays in their enforcement on defaults by the Company's borrowers.**

The value of collaterals especially real estate may decline due to adverse market conditions. Delays in bankruptcy and foreclosure proceedings, defects in title, documentation of collateral and the necessity of obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral and the Company may not be able to recover the estimated value of the collateral, thus exposing the Company to potential losses.

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- 3. We have and are in the process of venturing into new lines of business and there can be no assurance that our ventures will be profitable in future.**

As a part of our growth strategy, we have or otherwise are in the process of venturing into new areas of business. Although, we have recruited experienced management teams which consist of people who have experience in financial services, there are inherent risks in entering a market for the first time. These businesses consequently are to a larger extent susceptible to competition, economical, political and regulatory conditions than established businesses. This may affect our operations and cash flow positions.

- 4. System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business.**

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code that could compromise data integrity and security.

- 5. The Company's lending and investment activities are vulnerable to interest rate risks, market risks and asset liability mismatch risks which may have great impact on our financial performance.**

Interest income forms a substantial part of the total income of our Company. The Company extends loans at floating as well as fixed interest rates. The Company's borrowings are also a mix of floating and fixed rates. A mismatch between assets and liabilities may cause our gross spreads to decline and adversely affect our profitability. The Company endeavours to match interest rate positions to minimize interest rate risk but may not be able to do so. Interest rates are highly sensitive to many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Sharp increase in interest rates charged on floating rate basis, may also result in extension of loan maturities and higher instalments due from borrowers, which could result in higher degree of defaults from this segment.

- 6. We face asset-liability mismatches in the short term, which could affect our liquidity position. A portion of our funding requirement is through short-term funding sources and in the event, lenders decide to withdraw the existing or committed credit facilities or do not roll over the existing credit facilities, our business could be adversely affected.**

The difference between the value of assets and liabilities maturing, in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several HFCs / NBFCs, a portion of our funding requirements is met through short-term funding sources, i.e. bank loans, working capital demand loans, cash credit, short term loans and commercial papers. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

7. Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations.

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Under the terms of some of the credit lines, the Company is 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 a substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in the Company's Memorandum and Articles of Association. This may restrict/ delay some of the actions / initiatives that our Company may like to take from time to time.

8. We are exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders.

Like other financial intermediaries, we are also exposed to various operational risks which include the risk of fraud or misconduct by our employees or even an outsider, unauthorized transactions by employees or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions we take to detect and prevent these activities may not be effective in all cases. Any such instances of employee misconduct or fraud, the improper use or disclosure of confidential information, could result in regulatory and legal proceedings and may harm our reputation and also our operations.

9. We may not be able to attract or retain talented professionals required for our business.

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

10. We may not be able to access funds at competitive rates and higher cost of borrowings could have significant impact on the scale of our operations and also profit margins.

Our growing business needs would require us to raise funds through commercial borrowings. Our ability to raise funds at competitive rates would depend on our credit rating, regulatory environment in the country and the liquidity scenario in the economy. The developments in the international markets affect the Indian economy including the financial liquidity position. Our Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at competitive rates. Being a HFC, we also face certain restrictions to raise money from international markets which are relatively cheaper sources of money and this further constrains our ability to raise cheaper funds.

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11. The Company faces increasing competition from established banks and HFCs. The successful implementation of our growth plans depends on our ability to face the competition.

The Company's main competitors are established commercial banks and HFCs. Over the past few years, the financing area has seen the entry of banks, both nationalized as well as foreign. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. HFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive.

12. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition.

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects of Hero FinCorp Ltd. being the- subsidiary. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future.

13. We may have a high concentration of loans to certain customers or group of customers. If a substantial portion of these loans becomes non-performing, our business and financial performance could be affected.

Our business of lending with or without securities exposes us to the risk of third parties that owe us money. Our loan portfolio and non-performing asset portfolio has, or may in the future, have a high concentration in certain customers or groups of customers. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, and breach of contract, government or other regulatory intervention and other reasons including inability to adapt to changes in the macro business environment. Historically, borrowers or borrower groups have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrowers' / borrower groups in the future could adversely affect our business and our financial performance.

(B) Risks Relating to the Utilization of Issue Proceeds

14. Our management will have significant flexibility in applying proceeds of the Issue.

The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various activities, including but not restricted to, lending and investments, to repay our existing loans, our business operations including capital expenditure and working capital requirements. The Main Object clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date.

(C) Risks Relating to the Debentures

15. Changes in general interest rates in the economy may affect the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our 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 our Debentures.

16. We are not required to maintain any Debenture Redemption Reserve (DRR) for the Debentures issued under this Disclosure Document.

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures. In accordance with Rule the (18)(7) of Companies (Share Capital and Debentures) Rules, 2014 the Company is not required to create DRR for privately placed debentures.

17. Any downgrading in credit rating of our Debentures may affect the value of Debentures and thus our ability to raise further debts.

The Issuer cannot guarantee that the rating will not be downgraded. Such a downgrade in the above credit ratings may lower the value of the NCDs and may also affect the Issuer's ability to raise further debt.

18. The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all.

19. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all and refusal of listing of any security of the issuer, if any, during last three years by any of the stock exchanges in India or abroad.

In accordance with applicable law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the stock exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the stock exchanges, our Company will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Offer Document. There is no assurance that the NCDs issued pursuant to this Issue will be listed on stock exchanges in a timely manner, or at all.

20. The Debentures may be illiquid.

The Company does not provide any guarantee or assurance that the Debentures will be frequently traded on the Stock Exchange and that there would be any market for the Debentures. It is not possible to predict if and to what extent a secondary market may develop for the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. The Company may, but is not obliged to, purchase the Debentures at any price on the Stock Exchange or by tender, or private agreement, at any time. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to settlement of the Debentures. Further, the Company may not be able to issue any further Debentures in case of any disruptions in the securities market.

21. Early Termination for Extraordinary Reasons, Illegality and Force Majeure.

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Debentures for any reason, the Issuer may at its discretion and without obligation terminate early the Debentures. If the Issuer terminates early the Debentures, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Debenture an amount determined by the Issuer.

22. Security may be insufficient to redeem the Debentures.

In the event that the Company is unable to meet its obligations towards the Investors under the terms of the Debenture Trust Deed and the other Transaction Documents, the Trustee may enforce the Security as per the terms of the Debenture Trust Deed and other related documents. However, such enforcement of Security will be subject to the obligations of the Company in terms of extant provisions of applicable law. The Investors' recovery in relation to the Debentures will be subject to sufficient security available for redemption.

(D) EXTERNAL RISK FACTORS

23. We are subject to regulatory and legal risk which may adversely affect our business.

The operations of an HFC are subject to regulations framed by the RBI/NHB and other authorities including regulations relating to foreign investment in India. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance.

24. Increasing competition from banks, financial institutions and NBFCs.

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

25. Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on our operations and profitability

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The quantum of our disbursements is driven by the growth in demand for vehicles, loans to corporates, mortgages, etc. A slowdown in the economy as a whole can increase the level of defaults thereby adversely impacting the Company's growth plans and the quality of its portfolio.

26. Civil unrest, terrorist attacks and war could affect our business.

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India or the major economies of the world may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business and the price and yield of our NCDs.

27. Our business may be adversely impacted by natural calamities or unfavourable climatic changes.

The rapid outbreak of the coronavirus (COVID-19) presents an alarming health crisis that the world is grappling with. The adverse impact of this global pandemic can vary from nation to nation, industry to industry and above all entity to entity. The effect depends upon the nature and extent of business connectivity of the individual entities with the nations more seriously affected by this pandemic. Apart from the health and safety of mankind, COVID-19 has unfavourably affected the economic environment which in turn has consequential impact on the results in the financial statements and reporting.

India, Nepal, Bangladesh, Pakistan, Indonesia and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu / swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the financial services sector of which our Company is a part. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which we have operations, which could adversely affect our business and the price of our Debentures.

28. Conditions in the Indian Debt market may affect the coupon on the Debentures.

Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or

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unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. The Central and State Governments are the issuers of the local currency debt. The Government raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since these securities carry minimal risks, they may command lower yields. The performance may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems. The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies.

29. Any downgrading of India's sovereign rating by an international rating agency (ies) may affect our business and our liquidity to a great extent.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms, or at all.

(E) Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:

- | | | |
|------|--|--------------|
| i) | Statutory dues | : No Default |
| ii) | Debentures and interest thereon | : No Default |
| iii) | Deposits and interest thereon | : No Default |
| iv) | Loan from any bank or financial institution and interest thereon: | No Default |

6) ISSUER INFORMATION

a) About the Issuer

Hero Housing Finance Limited (HHFL) is registered with the National Housing Bank (NHB) as a Non-Deposit Accepting Housing Finance Company headquartered in Delhi. The Company was incorporated on June 16th, 2016 with the Registrar of Companies, Delhi (Registration Number U65192DL2016PLC301481). The Company is a subsidiary of Hero FinCorp Limited.

Hero FinCorp Limited ("HFCL") is a Non-Deposit Systematically Important Non-Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI). HFCL is part of Brijmohan Lall Munjal Hero Group, incorporated in December 1991 as Hero Honda Finance Limited; the restructuring of our flagship company Hero MotoCorp Limited, led to the present form as Hero FinCorp Limited.

Name	Hero Housing Finance Limited
Company Registration No.	U65192DL2016PLC301481
NHB Registration No.	07.0159.17
Date of Incorporation	June 16, 2016
Registered office	9, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057
Corporate Office	7, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057
Company's Website	www.herohousingfinance.com
Company Secretary and Compliance Officer	Ms. Suruchi Jassi, Company Secretary and Compliance Officer Address: 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057. E-mail: suruchi.jassi@herohfl.com Phone No.: +91 11 49267000
CFO of the Issuer	Mr. Dhoop Mittal, Chief Financial Officer E-Mail: dhoop.mittal@herohfl.com
Arranger to issue	-
Debenture Trustee	Vistra ITCL (India) Ltd. The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai – 400051
Registrar and Transfer Agents	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Phone: 040 -6716 2222, Fax: 040-2300 1153
Credit Rating Agency/ies for the Issuer	CRISIL Limited Registered Office: Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. ICRA Limited Registered Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110 001
Auditors of the Issuer	G S A & Associates LLP (Firm Registration No. 000257N/N500339) 16 DDA Flats, GF, Panchsheel Shivalik Mor, Near Malviya Nagar, New Delhi-110017 E-Mail: gsa@gsa.net.in Tel No. 011-41811888

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Guarantors	Not applicable
Legal Counsels	Not applicable

b) Industry Overview:

Housing Finance Companies (HFCs) act as a critical link in the overall financial system catering to a large market of niche customers. They are one of the major purveyors of credit in India. HFCs have displayed flexibility in meeting credit needs of specific sectors like Housing, Loan against property, Lease rental Discounting, Construction Finance and Corporate loans, etc.

HFCs in India offer a wide variety of financial services and play an important role in providing credit to the unorganized sector and small borrowers at the local level. As a result of consolidation and restructuring in the financial sector and liberalization and globalization of markets only a few strong HFCs now remain in business. However, competition has become intense due to the entry of the Indian and foreign banks into the retail lending business in a big way, thereby exerting pressure on margins. As compared to banks, HFCs have the ability to take quicker decisions and customize their services in accordance with the needs of the customer. Thus, HFCs can sustain in this competitive environment only through optimization of funding costs, identification of potential areas, widening geographical reach, and use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service.

Brief summary of Business/Activities of the Issuer and its line of Business

i. Overview of the Company and Business

Hero Housing Finance Ltd. (HHFL), a part of the Hero Group, is a subsidiary of Hero FinCorp Limited, registered with NHB and currently headquartered in Delhi. The Company was incorporated on June 16, 2016 and received its Certificate of Registration from NHB on August 21, 2017. The Company intends to be an all-inclusive housing finance company providing hassle-free home loans pan India.

The Company is engaged in the business of onward lending. For classification purpose:

A) Housing Loans

- a) Home Loans
- b) Construction/Expansion Loans

B) Non-Housing Loans

- a) Loan against Property
- b) Non-residential Property
- c) Builder Finance

The Company has been rated A1+ by CRISIL & ICRA for its short-term borrowings, which indicates highest-credit-quality. For its long-term borrowings the Company is rated 'AA+' Stable by CRISIL and ICRA, which indicates high degree of safety regarding timely servicing of financial obligations.

Branch details as on December 31, 2022:

S. No.	Branch Name	Branch Address	State
1	Registered Office	9, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057–	Delhi
2	Corporate Office	7, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057–	Delhi

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3	Branch	5th floor, Chandan House, Opposite Pantaloons Store, Near Meethakali Six Road, Navrangpura, Ahmedabad, Gujarat – 380006	Gujarat
4	Branch	Unit/shop no:- 607 & 608 ,Sixth Floor , Twin Tower – II ,Plot No – A - 2,3,4, Netaji Subhash Place , Pitampura, New Delhi - 110034–	Delhi
5	Branch	Trimurti Heights,Plot No 8C, Flat No 202, 2nd Floor, Madhuban, Udaipur - 313001	Rajasthan
6	Branch	A-109 & 110 , First Floor, Prathamesh Plaza, RACCA colony, Saharanpur Road , Nashik, Maharashtra - 422002–	Maharashtra
7	Branch	Office No. 305, B Wing, BSEL Tech Park, Plot No. 39/5 & 39/5A, Sector 30A, opposite Vashi railway station, Vashi, Navi Mumbai, Maharashtra - 400703	Maharashtra
8	Branch	A-501, Fifth Floor , Bhoomi Saraswati Co operavite Housing Society Ltd, Ganjawala Lane, Borivali (west), Mumbai - 400092	Maharashtra
9	Branch	Plot No.2320, 3rd Floor, Old Delhi Road , Rajeev Nagar , Gurgaon, Haryana -122001	Haryana
10	Branch	Unit No.CCF/FIRST/80, Omaxe World Street, Sector 79, Faridabad, Haryana - 121004	Haryana
11	Branch	Plot No. 17, 1st Floor, Sanjay Nagar District Center, Sanjay Nagar, Ghaziabad, Uttar Pradesh - 201002	Uttar Pradesh
12	Branch	Metropolis Tower, Office No: G-13, Ground Floor ,Khasra No.207/378, Village Sushilpura, New Prem Nagar ,Ajmer Road, Jaipur, Rajasthan- 302019–	Rajasthan
13	Branch	Office No. 408, Siddharth Complex, Near Express Hotel, R C Dutt Road, Alkapuri, Vadodara, Gujarat- 390007	Gujarat
14	Branch	121, Rishabh Complex, New Cloth Market, Behind Bhagwati Hotel, Chittorgarh, Rajasthan- 312001	Rajasthan
15	Branch	Office No. 4, Second Floor, Madhur Complex, Datta Madir Chowk, Daopur, Dhule, Maharashtra- 424005	Maharashtra
16	Branch	Plot No.5, Block -B, Near Judicial Colony, Dungarpur, Rajasthan- 314001	Rajasthan
17	Branch	Office No - 202, Second Floor, Building Name - Adish Plaza, Savedi Road, Ahmednagar, Maharashtra- 414003	Maharashtra
18	Branch	Office No 212, Second Floor, Wonder Mall, Plot No Block A, Kedal Ganj, Alwar, Rajasthan- 301001	Rajasthan
19	Branch	First Floor, Property 2 and 3 of Municipal No - 07/501 (New No-22) Motipura Bardia, Nagar Parishad, Beawar, Dist. Ajmer, Rajasthan- 305901	Rajasthan
20	Branch	Commercial Shop no -113, First Floor, Neo Square, City Survey No 631, Ward No 12, P N Marg, Jamnagar, Gujarat- 361008	Gujarat
21	Branch	Office No 412, 4 Floor, Seven Seas, Above Tanishq Showroom, Junagarh, Gujarat- 362001	Gujarat
22	Branch	Shop No 03, Ground Floor, Parshwanath 9, Plot No -12, Village- Mahim, Taluka and District- Palghar, Maharashtra- 401404	Maharashtra
23	Branch	Shop No 411, 4th Floor, Govindam Complex, Old RTO Road, Bhilwara, Rajasthan- 311001	Rajasthan

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24	Branch	Showroom No 10, First Floor, Anand Market, Meera Ghati Chowk, Buta Singh Colony, Karnal, Haryana- 132001	Haryana
25	Branch	Shop No. 27 and 28, Second Floor, Noble Chambers, City Survey No – 3995/A, Ward No- 2, Bus Stand Road, Surender Nagar, Gujarat- 363002	Gujarat
26	Branch	Shop no -309, Third Floor, Nishal Center, Near Nishal Circle, Pal, Surat, Gujarat - 395007	Gujarat
27	Branch	Office No -210 and 211 Second Floor, Plot No B-13, Vinkateshara Tower, Central Spine, Vidhayadhar Nagar, Jaipur, Rajasthan - 302039	Rajasthan
28	Branch	Flat No/ Office No- 302, Third Floor, Rajguru Patil Paradise, Opp Ambika Hotel, Plot No 04, Village- Kulgaon- Badlapur East Taluka- Ambarnath, District- Thane, Maharashtra – 421503	Maharashtra
29	Branch	Premises Flat No 201, Second Floor, 133/ M/280 “Saraf Enclave” Kidwai Nagar, Kanpur, Uttar Pradesh - 208011	Uttar Pradesh
30	Branch	Office No -36, Second Floor, Main Road, Ellaipillaichavadi, Reddiarpalayam, Oulgaret Municipal Limit, Puducherry, Pondicherry - 605004	Pondicherry
31	Branch	Office No -217, Second Floor, Bhaskar Mega Mall, Near Maru Mandir, Opp SBI, Station Road, Sikar, Rajasthan – 332001	Rajasthan
32	Branch	Office Number - 49, Second Floor, Girnar Khushboo Plaza, 209 GIDC, Vapi, Gujarat - 396195	Gujarat
33	Branch	Shop No 3, Second Floor, Pashwanath Shopping Center, Revenue Survey No 115/1, Paikar Plot No -1, Navsari, Gujarat- 396445–	Gujarat
34	Branch	Shop No S.F -08, Second Floor, Sumer City Center, Old Mill Road, Madanganj, Kishangarh, Dist- Ajmer, Rajasthan - 305801–	Rajasthan
35	Branch	Office No 101, First Floor, DDA Building, Plot no. 04, District Center, Laxmi Nagar, Delhi - 110092	Delhi
36	Branch	Flat No 301, Chinari Heights Co-operative Housing Society Limited, Erandawane Pune, Pune, Maharashtra - 411004–	Maharashtra
37	Branch	SCO-134, First Floor, Choti Baradari, Patiala, Punjab - 147001	Punjab
38	Branch	Office No. First Floor, SCO 504, Sector-70, SAS Nagar, Mohali, Punjab - 160071	Punjab
39	Branch	Second Floor, SCO 49, Ahuja Tower, PUDA Complex, Ladowali Road, Jalandhar, Punjab - 144001	Punjab
40	Branch	SCO 28, First Floor, Ranjit Avenue, Amritsar, Punjab - 143001–	Punjab
41	Branch	Commercial Plot no 204, Revenue Village Pali-2, Adinath Nagar Scheme, Pali, Rajasthan - 305801–	Rajasthan
42	Branch	412, 4th Floor, JB Metro Height, Transport Nagar, Kanpur Road, Lucknow, Uttar Pradesh - 226012	Uttar Pradesh
43	Branch	Ground Floor, B-3 Sector -4, Noida, Uttar Pradesh - 201301	Uttar Pradesh
44	Branch	First Floor, C-120, Sector -02, Noida, Uttar Pradesh - 201301–	Uttar Pradesh
45	Branch	Shop No D-41 and 42, Third Floor, Signature Galleria, Near Mahavir Turning, Old NH- 08, Ankleshwar, Gujarat- 393001–	Gujarat

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46	Branch	First Floor, Shop No 37, BMK Market, Panipat, Haryana-132103–	Haryana
47	Branch	Office 638-639, 6th Floor, Old Amarpali Cinema, Raiya Road, Rajkot, Gujarat- 360004	Gujarat
48	Branch	Part of 4th Floor, SCO-24, Ludhiana Trade Tower, Feroz Gandhi Market, Ludhiana, Punjab - 141002	Punjab
49	Branch	Fourth Floor, One61st Business Avenue, Commercial Plot No 161, Mangal Pandey Nagar, University Road, Meerut, Uttar Pradesh – 250004	Uttar Pradesh
50	Branch	F-5, First Floor, Shanta Tower, Sanjay Place, Agra, Uttar Pradesh – 282002	Uttar Pradesh
51	Branch	Plot No.-409, First Floor, Rati Talai Main Road, Near Bhu-Abhilekh Quarter Nirishak, Tehsil & Dist.-Banswara, Banswara, Rajasthan – 327001	Rajasthan
52	Branch	Flat no 403, 4th Floor, Shiv Gaurav Estate, Plot no 01, Bhagwaghar Loyout- Eastern Dharampeth, Nagpur, Maharashtra - 440010–	Maharashtra
53	Branch	Office No - S6, 2nd Floor, Dattawad Renaissance, Near Trade Centre, E- Ward, Sahupuri, Kolhapur, Maharashtra - 416001	Maharashtra
54	Branch	First Floor, Raghuveer Complex, Opp District Court, Adalat Road, Aurangabad, Maharashtra – 431005	Maharashtra
55	Branch	Office No 201, Second Floor, Plot no 2064, Nirmal Plaza, Bhavnagar, Gujarat – 364001	Gujarat
56	Branch	First Floor, Door No 1/1565, New Bye Pass Road, Vellore, Tamilnadu – 632004	Tamilnadu
57	Branch	Unit no -12, First Floor, Excellencia Building , Lodha Supremus, Plot no F-4, F-4/1, Panch Pakhadi, Thane, Maharashtra - 401208–	Maharashtra
58	Branch	First Floor, Plot no 136,137, Gandhi Nagar, Chettiyar Agaram, Karabakkam, Chennai, Tamilnadu - 600116–	Tamilnadu
59	Branch	Office no 5, 6 Second Floor, Kam-leshwaram, Behind Vaishali Nagar Petrol Pump, Vaishali Nagar, Ajmer, Rajasthan - 305001–	Rajasthan
60	Branch	Ground Floor, 637-B, Residency Road, Jodhpur, Rajasthan – 342003	Rajasthan
61	Corporate Office	Building No. 27, Community Centre, Basant Lok, Vasant Vihar, New Delhi – 110057	Delhi
62	Branch	Office No. 510-A, 5th Floor, Cyber Heights, Plot No. TC/G-2/2 and TC/G-5/5, Vibhuti Khand, Gomti Nagar, Lucknow, Uttar Pradesh - 226010–	Uttar Pradesh
63	Branch	Office No 24, P.J Chambers, Off of Old Mumbai Pune Highway, Pimpri, Pune, Maharashtra – 411018	Maharashtra
64	Branch	Office no 501, 5 floor, M Baria Space, Tirupati Nagar, Phase - II Bolinj, Virar West, Taluka-Vasai, Dist- Palghar, Maharashtra- 401303–	Maharashtra
65	Branch	Unit No 302, Third Floor, Revenue Village - Jalochi, Taluka - Baramati, District - Pune, Baramati, Maharashtra - 413102	Maharashtra

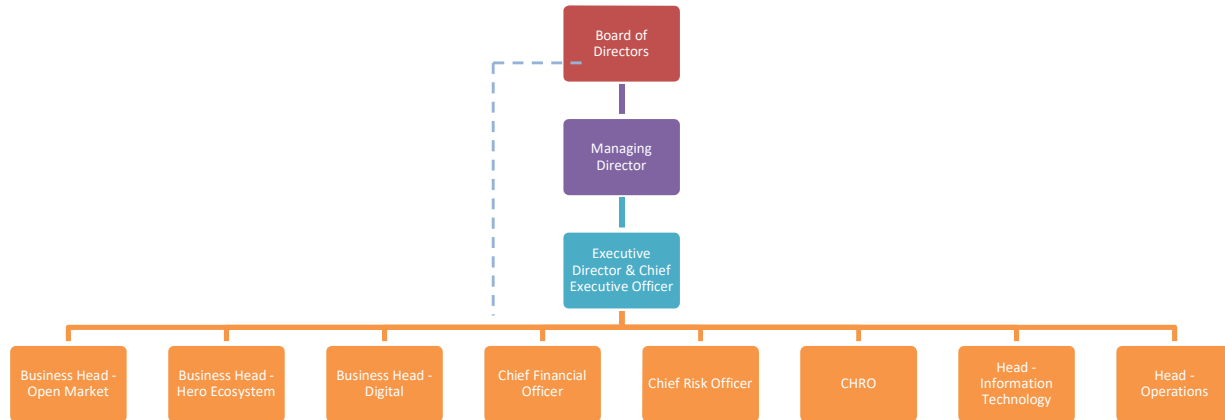
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List of subsidiaries: None

Major Events

None

ii. Corporate Structure as on December 31, 2022



Senior Management Team as on December 31, 2022:

Name	Age	Designation	Qualification	Years in HHFL	Total work Experience
Mr. Apul Nayyar	49	CEO & Whole time Director	C.A, GPDM from from Ross School of Business, Michigan, USA	2	23
Mr. Dhoop Mittal	33	Chief Financial Officer (CFO)	CFA, MBA, CA	4	10
Mr. Rakesh Bansal	52	Chief Risk Officer (CRO)	CFA, MBA	2	29
Mr. Rahul Kishore	46	Business Head- Open Market	MBA, B. Com	2	21
Mr. Ashish Bhutani	44	Business Head - Home Loans (Within Ecosystem)	MBA, B. Com	2	22
Mr. Paramjit Singh Nayyar	43	CHRO	MBA	0	20
Mr. Gautam Munjal	44	Head – Operations	M.COM (Finance & Control)	2	22

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Mr. Vivek Madan	46	Head - Information Technology	MBA	0	20
Ms. Tulika Sonthalia	46	Head - Strategic Alliance	MBA	1	20

iii. Key Operational and Financial Parameters (Standalone basis)

(₹ in Crore)

Balance Sheet	31-12-2022 (Unaudited)	31-03-2022	31-03-2021	31-03-2020
	(IND AS)^	(IND AS)^	(IND AS)^	(IND AS)^
Net Fixed assets	8.94	7.10	5.41	4.81
Current assets	931.00	945.13	770.50	235.65
Non-current assets	2,914.81	2,108.46	2,020.94	1,722.27
Total assets	3,845.81	3,060.69	2,796.86	1,962.72
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	2,262.42	1,922.98	1738.05	1397.93
Provisions	5.42	5.28	4.02	1.91
Deferred tax liabilities (net)	-	-	-	-
Other non-current liabilities	-	-	-	2.38
Current Liabilities (including maturities of long-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)	800.62	552.60	498.22	183.54
Provisions	0.85	0.41	0.23	0.26
Current tax liabilities (net)	-	-	-	-
Other current liabilities	31.96	147.38	130.12	32.84
Equity (equity and other equity)	744.55	432.04	426.22	343.87
Total equity and liabilities	3,845.81	3,060.69	2,796.86	1,962.72
Profit and Loss				
Total revenue	302.35	311.67	242.66	153.71
From operations	290.55	298.30	232.79	137.81
Other income	11.79	13.38	9.87	15.90
Total Expenses	291.75	309.58	261.66	185.85

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Total comprehensive income	9.62	1.37	(19.27)	(31.92)
Profit / loss	10.59	2.09	(19)	(32.14)
Other comprehensive income	(0.97)	(0.73)	(0.27)	0.21
Profit / loss after tax	10.59	2.09	(19)	(32.14)
Earnings per equity share:				
(a) basic; and	NA	0.05	(0.50)	(1.28)
(b) diluted	NA	0.05	(0.50)	(1.28)
Continuing operations				
Discontinued operations				
Total Continuing and discontinued operations				
Cash Flow				
Net cash generated from operating activities	NA	(373.21)	(481.57)	(1,335.70)
Net cash used in / generated from investing activities	NA	12.50	(172.55)	73.72
Net cash used in financing activities	NA	234.64	750.02	1,392.66
Cash and cash equivalents	NA	226.52	130.71	0.02
Balance as per statement of cash flows	NA	100.46	226.52	130.71
Additional information				
Net worth	744.55	432.04	426.22	343.87
Cash and Cash Equivalents	85.01	100.46	226.52	130.71
Current Investments	259.32	196.16	205.88	27.01
Loan Book	3,449.36	2722.35	2,369.20	1,793.06
Off Balance Sheet Assets	-	-	-	-
Total Debts to Total assets	0.76	0.80	0.79	0.80
Debt Service Coverage Ratios	NA	NA	0.70	0.44
Interest Income	255.36	272.02	224.36	129.76
Interest Expense	151.67	169.66	159.82	89.38
Interest service coverage ratio	NA	NA	1.03	0.81
Provisioning & Write-offs	6.13	6.27	18.71	11.42
Bad debts to Account receivable ratio				
Gross NPA (%)*	2.56%	3.11%	1.95%	0.06%
Net NPA (%)*	1.86%	2.31%	1.19%	0.05%
Tier I Capital Adequacy Ratio (%)	28.45%	21.37%	24.60%	29.00%
Tier II Capital Adequacy Ratio (%)	3.49%	3.07%	3.00%	2.70%

* Gross NPA and Net NPA for Mar'22 & Dec'22 are as per new RBI Norms.

^All the above numbers are on IND-AS basis and presented as per relevant accounting standards and policies.

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Contingent liabilities and commitments

Particulars	Amount in Crore
	As at 31 March 2022
Contingent liability (Refer note 33.1 below)	0.02
Capital commitment	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	2.22
Other commitments (sanctioned but undischursed loans)	219.81
Total	222.05

Gross Debt/Equity Ratio of the Company:-

Debt Outstanding as on 31.12.2022 (₹ In Crore)	2,912.73
Net Worth as on 31.12.2022 (₹ In Crore)	744.55
Debt Equity Ratio before the issue of Debentures	3.91 Times
Debt Equity Ratio after the issue of Debentures*	4.03 Times

**Assuming the entire offer including green shoe will be subscribed*

B. Brief history of the Issuer

Hero Housing Finance Ltd. (HHFL), was incorporated by Hero FinCorp Limited. The Company was initially started with a paid-up capital of ₹50 Crore. The paid up capital was enhanced to ₹250 Crore via Rights Issue in May 2018 and ₹375 Crore via Private Placement in March 2020. The Company on February 09, 2022 has enhanced its paid up share capital from ₹375 crore to ₹ 460.78 crore. The Paid up share capital of the Company on August 24, 2022 had increased to ₹ 627.45 crore. The Company on October 27, 2022 has enhanced its paid up share capital to ₹ 629.03 crore. The Details of share Capital as on December 31, 2022 is as follows:

i. Details of Share Capital as on 31.12.2022:-

Share Capital	Aggregate Nominal Value (in ₹)
Authorized Share Capital	
100,00,00,000 Equity Shares of ₹ 10 each	1000,00,00,000
Issued and Subscribed Capital	
62,90,27,499 Equity Shares ₹ 10 each	629,02,74,990
Paid-up Capital	
62,90,27,499 Equity Shares ₹ 10 each	629,02,74,990
Total	629,02,74,990

ii. Changes in capital structure as on 31.12.2022 (for last three years): -

Date of Change (AGM/EGM)	Particulars
February 06, 2018	Increase in authorized share capital of the Company from Rs. 100,00,00,000 to Rs. 500,00,00,000 by the shareholders in the Extra Ordinary General Meeting of the Company held on February 06, 2018.

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March 26, 2020	Issuance of 20,83,33,333 partly paid shares of face value of Rs. 10 (Rupees Ten) through private placement at a premium of Rs. 2 per partly paid share.
September 21, 2021	Increase in authorized share capital of the Company from Rs. 500,00,00,000 to Rs. 1000,00,00,000 by the shareholders in the Annual General Meeting of the Company held on September 21, 2021.
February 09, 2022	Issuance of 24,55,000 equity shares of face value of Rs. 10 each to certain employees of the Company under ESOP.
August 23, 2022	Issuance and Allotment of 16,66,66,666 equity shares of face value of Rs. 10 each at a premium of Rs. 8 each through private placement basis.
October 27, 2022	Issuance of 15,72,500 equity shares of face value of Rs. 10 each to certain employees of the Company under ESOP.

iii. Equity Share Capital history of the Company as on 31.12.2022

Date of allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Payment	Nature of Allotment	Cumulative			Remarks
						No. Of equity shares	Paid-up Capital (₹)	Share Premium (₹)	
16-06-2016	5,00,00,000	10	10	Cash	Issue to Subscribers of Memorandum	5,00,00,000	50,00,00,000	-	-
17-05-2018	20,00,00,000	10	10	Cash	Rights Issue	25,00,00,000	2,50,00,00,000	-	-
30-03-2020	20,83,33,333	10	12*	Cash	Private Placement	45,83,33,333	374,99,99,998	24,99,99,999.60	-
24-03-2021		10	12*	Cash	Private Placement		458,33,33,330	41,66,66,666.00	-
09-02-2022	24,55,000	10	10	Cash	ESOP	46,07,88,333	4,60,78,83,330	41,66,66,666.00	-
24-08-2022	16,66,66,666	10	18	Cash	Private Placement	62,74,54,999	6,27,45,49,990	1,74,99,99,994.00	-
21-10-2022	15,72,500	10	10	Cash	ESOP	16,82,39,166	6,29,02,74,990	1,74,99,99,994.00	-

*Rs. 12 (Rupees Twelve) per Equity Share, which includes face value of Rs. 10 (Rupees Ten) per equity share, which would be paid-up in the following two tranches:

- (i) Rs. 7.20 (Rupees Seven and Paise Twenty) including face value per Equity share of Rs. 6 (Rupees Six) and premium of Rs. 1.20 (Rupees One and Paise Twenty) per Equity Share was paid at the time of application and allotment; and

Rs. 4.80 (Rupees Four and Paise Eighty) including face value per Equity share of Rs. 4 (Rupees Four) and premium of Paise 80 (Paise Eighty) per Equity Share would be paid within 12 (Twelve) months of allotment of the Equity Shares (or as agreed with the subscribers).

iv. Details of any Acquisition or Amalgamation in the last 1 year.

The Company has not made any acquisition or amalgamation during last one year.

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v. Details of Re-organization or Reconstruction in last 1 year.

No reorganization or reconstruction was done during the last one year.

C. Details of shareholding of the Company as at 31.12.2022

i. Shareholding pattern of the Company as on 31.12.2022: -

Sr. No.	Name & Address	Pre Issue		
		Total No. of Shares	No. of shares in demat form	%
A.	Promoters' holding			
1.	Indian			
	Individual/HUF	-	-	-
	Body Corporate*	62,49,99,959	62,49,99,959	99.36
	Sub-total (A)	62,49,99,959	62,49,99,959	99.36
2.	Foreign promoters			
B.	Non-Promoters' holding			
1	Institutional Investor	-	-	-
2.	Non-institutional Investors			
	Private corporate bodies	-	-	-
	Directors and Relatives	-	-	-
	Indian public	40,27,540	40,27,540	0.64
	Others [including Non-resident Indians (NRIs)]	-	-	-
	Sub-total (B)	40,27,540	40,27,540	0.64
	Grand Total	62,90,27,499	62,90,27,499	100.00

**Including Nominee shareholders.*

Number of Equity' Shares pledged or encumbered by the promoters – Nil

ii. List of top ten equity shares holders of the Company as on 31.12.2022:-

S. No.	Name of Shareholder	Total No. of Shares	No. of shares in demat form	%
1	Hero FinCorp Limited*	62,49,99,999	62,49,99,999	99.3597
2	Rakesh Bansal	1200000	1200000	0.1908
3	Ashish Bhutani	8,00,000	8,00,000	0.1272
4	Peeyush Jindal	3,00,000	3,00,000	0.0477

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5	Gautam Munjal	3,00,000	3,00,000	0.0477
6	Dhoop Mittal	3,00,000	3,00,000	0.0477
7	Rahul Kishore	3,00,000	3,00,000	0.0477
8	Tulika Sonthalia	2,80,000	2,80,000	0.0445
9	Amit Arora	1,50,000	1,50,000	0.0238
10	Sourabh Madra	1,40,000	1,40,000	0.0223

****Including Nominee shareholders***

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D. Details regarding the directors of the Company:-

i. Details of current Directors of the Company as on 31.12.2022

S.No.	Name, Designation and DIN	Age (Years)	Address	Director of the Company since	Other Directorships	Whether Wilful Defaulter (Yes/No)
1	Mrs. Renu Munjal (Chairman and Non-Executive Director) DIN: 00012870 Occupation: Business	67	B-109, Greater Kailash, Part - 1, New Delhi - 110 048	20-05-2010 20-05-2010 20-05-2010 20-05-2010 04-06-2015 27-01-2016 11-07-1992 07-08-2018	Rockman Auto Private Limited Hero InvestCorp Private Limited Bahadur Chand Investments Private Limited Munjal Acme Packaging Systems Private Limited Hero Electronix Private Limited BM Munjal Energies Private Limited Hero FinCorp Limited RKMFT Private Limited	No
2	Mr. Abhimanyu Munjal (Managing Director) DIN: 02822641 Occupation: Business	39	B-109, Greater Kailash, Part - 1, New Delhi - 110 048	02-07-2012 19-05-2015 01-06-2016 07-08-2018 19-09-2018 20-01-2020	Foodcraft India Private Limited Advantedge Technology Partners Private Limited Hero FinCorp Limited RKMFT Private Limited AMFT Private Limited Advantedge Investment Advisors LLP	No
3	Mr. Rahul Munjal (Non-Executive Director) DIN: 00118339 Occupation: Business	47	B-109, Greater Kailash, Part - 1, New Delhi - 110 048	07-08-2018 09-07-2018 29-05-2010 19-09-2007 27-01-2016	RKMFT Private Limited RMFT Private Limited Rockman Industries Limited PM Infosoft Private Limited BM Munjal Energies Private Limited	No
4	Mr. Nagesh Dinkar Pinge (Independent Director) DIN: 00062900 Occupation: Service	64	B 403 Rajkamal CHS Subhash Road Near Vile Parle (East) Mumbai Maharashtra 400057	06/05/2019 22/01/2021 10/10/2018 24/07/2018 20/07/2020 05/12/2017 28/10/2020 01/11/2021	Goa Carbon Limited Automobile Corporation of Goa Limited Arvind Fashions Limited Inventia Healthcare Limited Utkarsh Small Finance Bank Limited Multi Commodity Exchange Clearing Corporation Limited Aditya Birla Sun Life Insurance Company Limited Whiteoak Capital Trustee Limited	No
5	Mr. Apul Nayyar (Director – Whole-Time Director – Executive) & CEO) DIN: 01738973 Occupation: Service	50	D- 2301, Raheja Vivarea, Plot 1903/ (P.T) 1904, Sena Guruji Marg, Satrasta, Mahalaxmi, Mumbai, Maharashtra – 400011			No

Note: None of the directors' name appear in the RBI defaulter list and/or ECGC default list

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ii. Details of the change in Directors since last three years: -

S. No.	Name	Designation	DIN	Date of Appointment	Date of Cessation	Remark
1.	Mr. Apul Nayyar	Director (Whole Time Director – Executive) & CEO	01738973	09.06.2020	-	
2.	Mr. Nagesh Dinkar Pinge	Independent Director	00062900	09.06.2020	-	

E. Following details regarding the Auditors of the Company: -

i. Details of the Auditors of the Company: -

Name	Address	Auditor since
G S A & Associates LLP (Firm Registration No. 000257N/N500339)	16 DDA Flats, GF, Panchsheel Shivalik Mor, Near Malviya Nagar, New Delhi-110017	w.e.f 29 st December, 2021

ii. Details of change in Auditors since last 3 years: -

Name	Address	Date of Appointment/Resignation	Auditor of the Company since (in case of Resignation)	Remarks
G S A & Associates LLP (Firm Registration No. 000257N/N500339)	16 DDA Flats, GF, Panchsheel Shivalik Mor, Near Malviya Nagar, New Delhi-110017	Date of Appointment: w.e.f 26 th August, 2022	N.A.	
B S R & Co. LLP (Firm Registration No. 101248W/W100022)	DLF Building No. 10, 12th Floor, Tower C, DLF Cyber City, Phase II, Gurugram 122002, Haryana	Date of Appointment: w.e.f 21 st September, 2018 Date of Resignation: w.e.f 29 th December, 2021	N.A.	
Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117366W / W-100018)	7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurgaon, Haryana – 122002	Date of Appointment: w.e.f 29 th September, 2017 Date of Resignation: w.e.f 17 th September, 2018	Date of Appointment: w.e.f 29 th September, 2017	In-order to align with the holding company

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E. Details of borrowings of the Company as on quarter ending 31.12.2022: -

i. Details of Outstanding Secured Loan Facilities: -

Lender	Type of Facility	Sanctioned Amount (₹ Crore)	Outstanding Principal Amount (₹ Crore)	Repayment Terms / Date
Indian Bank	Term Loan	550	421.61	Monthly and Quarterly repayment
State Bank of India	Term Loan	300	289.29	Quarterly repayment
Bank of Baroda	Term Loan	550	382.14	Quarterly repayment
Union Bank of India	Term Loan	250	207.14	Quarterly and Semi-annual repayment
Axis Bank	Term Loan	400	320.00	Semi-annual and Quarterly repayment
Karnataka Bank	Term Loan	200	160.00	Annual repayment
HDFC Bank	Term Loan	150	106.25	Semi-annual repayment
Central Bank of India	Term Loan	150	100.00	Quarterly repayment
United Bank of India	Term Loan	100	100.00	Annual repayment
Canara Bank	Term Loan	150	92.31	Annual repayment
Federal Bank	Term Loan	125	48.96	Monthly and Quarterly repayment
Oriental Bank of Commerce	Term Loan	50	50.00	Semi-annual repayment
The South Indian Bank	FCL	50	50.00	Annual repayment
Catholic Syrian Bank	Term Loan	50	40.00	Annual repayment
The South Indian Bank	Term Loan	25	25.00	Annual repayment
HSBC Bank	Term Loan	250	20.00	Quarterly repayment

ii. Details of Outstanding Unsecured Loan Facilities: -

Lender	Type of Facility	Sanctioned Amount (₹ Crore)	Principal Amount (₹ Crore)	Repayment Terms / Date
Nil	Nil	Nil	Nil	Nil

iii. Details of Outstanding Refinancing from NHB as on 31.12.2022-

Lender	Type of Facility	Sanctioned Amount (₹ Crore)	Outstanding Principal Amount (₹ Crore)	Repayment Terms / Date
National Housing Bank	-	-	-	-

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iv. Details of Outstanding Secured Non-Convertible Debentures (NCD) as on 31.12.2022: -

Debenture Series No.	Rate of interest on NCD	Amount (₹ Crore)	Date of Allotment	Redemption Date	Credit Rating
HHFL/NCD/003	7.75% p.a.	100.00	25/06/2020	23/06/2023	AA+/Stable by ICRA
HHFL/NCD/005 (PP-MLD)	6.50% p.a.	75.00	22/12/2021	24/09/2024	AA+/Stable by CRISIL
HHFL/NCD/006	3 Month T-bill + 220 bps (Floating rate)	150.00	09/02/2022	07/02/2025	AA+/Stable by CRISIL

Note: The above loans are secured by *Pari- Passu* charge on Receivables of company

v. Details of Outstanding Unsecured Non-Convertible Debentures (Tier – II Capital) as on 31.12.2022: -

Debenture Series No.	Rate of interest on NCD	Amount (₹ Crore)	Date of Allotment	Redemption Date	Credit Rating
HHFL/NCD/001	9.50% p.a.	25.00	28/12/2018	28/12/2028	AA+/Stable by CRISIL & ICRA
HHFL/NCD/004	7.85% p.a.	25.00	05/03/2021	05/03/2031	AA+/Stable by CRISIL & ICRA
HHFL/NCD/007	8.75% p.a.	25.00	25/11/2022	25/11/2032	AA+/Stable by CRISIL & ICRA

vi. List of Top 10 Debenture holders as on 31.12.2022

Name of Investor	Amount outstanding (₹ in Crore)
Hdfc Trustee Company Ltd A/C Hdfc Credit Risk Debt Fund	150.00
Indian Bank	50.00
Union Bank Of India	50.00
Satish Waman Wagh	28.00
Derivium Tradition Securities (India) Pvt. Ltd.	21.00
Bank Of Baroda Provident Fund Trust	15.00
Bochasanwasi Shri Akshar Purushottam Swaminarayan Sanstha	15.00
Hinduja Leyland Finance Limited	14.00
Bank Of Baroda (Employees) Pension Fund	10.00
HVPNL Employees Pension Fund Trust	8.00

vii. Corporate Guarantee issued by the Issuer:
None

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viii. Details of Commercial Papers outstanding as on 31.12.2022: -

S. No.	ISIN	Date of Maturity	Amount outstanding (₹ in Crore)
1	INE800X14119	22-06-2023	100

ix. Details of rest of the borrowings (if any including hybrid debt like FCCV, Optionally Convertible Debentures / Preference Shares) outstanding: -

NIL

x. Details of all default/s and/or delay in payment of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantees issued by the Company, in the past 3 years including the current financial year: -

NIL

xi. 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: -

NIL

xii. Particulars of debt securities issued

- i. for consideration other than cash, whether in whole or part, - Nil
- ii. at premium and discount – Nil
- iii. in pursuance of an option – Nil

F. Details of Promoters of the Company as on 31.12.2022:-

Sr No	Name of the Shareholders	Total No. of Equity Shares	No. of shares in demat form	Total shareholding as % of total no of equity shares	No of shares pledged	% of shares pledged with respect to shares owned
1.	Hero FinCorp Limited*	62,49,99,999	62,49,99,999	99.3597	-	-

*Including Nominee shareholders.

G. Promoter Overview

Name of the Promoter	Hero FinCorp Limited
Date of Incorporation	December 16, 1991
Brief Profile	Hero FinCorp Limited (HFCL) is registered as Non-Deposit accepting Non-Banking Finance Company as per RBI Regulations with Registration No. 14.00266. The company primarily deals in financing retail and corporate customers through products including two-wheeler

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	financing, term loans, working capital loans, loan against property, bill discounting, leasing, etc. The company is building a strong market presence in the products it is offering.
Registered Office	34, Community Centre, Basant Lok, Vasant Vihar, Delhi 110 057
Permanent Accountant Number	AAACH0157J
Aadhaar Number	N.A.
Driving License Number	N.A.
Passport Number	N.A.
Education Qualification/Experience	N.A.
Business/Financial Activities	Finance
Position/post held in the past	N.A.
Directorship held	N.A.
Other Venture	N.A.

A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document – We hereby confirms that the requisite details in relation to each of the Promoters and directors have been submitted with NSE as required.

H. Profits/(Loss) for the 3 financial years preceding the date of circulation of offer letter

(₹ in Crore)

Year	Profit/(Loss) Before Tax	Provision for Tax	Profit/(Loss) After Tax
F.Y. 2021-22 (IND-AS)	2.09	0	2.09
F.Y. 2020-21 (IND-AS)	(19.00)	0	(19.00)
F.Y. 2019-20 (IND-AS)	(32.14)	0	(32.14)

I. Dividend declared and interest coverage ratio:

(Cash profit after tax plus interest paid / interest paid for the said financial years)

Year	Payment Year	Dividend	Interest Coverage Ratio
F.Y. 2021-22	-	-	1.08
F.Y. 2020-21	-	-	1.03
F.Y. 2019-20	-	-	0.81

J. Abridged version of latest Audited Standalone financial information for the last three years: -

(₹ in Crore)

	Particular	2022 (IND-AS)	2021 (IND-AS)	2020 (IND-AS)
A.	BALANCE SHEET			
1	Assets			
1	Financial assets	3,025.40	2,772.64	1,940.59
1	Non-financial Assets	35.30	24.21	22.13
	Total assets	3,060.69	2,796.86	1,962.72
	Liabilities and equity			

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2	Liabilities			
2	Financial liabilities	2,609.87	2,355.28	1,610.49
2	Non-financial liabilities	18.78	15.35	8.36
	Total liabilities	2,628.65	2,370.63	1,618.85
3	Equity	432.04	426.22	343.87
	Total liabilities and equity	3,060.69	2,796.86	1,962.72
B.	PROFIT AND LOSS ACCOUNT			
1	Income			
1	Revenue from Operations	298.30	232.79	137.81
1	Other Income	13.38	9.87	15.90
	Total Revenue	311.67	242.66	153.71
2	Expenditure	134.39	97.31	93.15
3	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) – Includes exceptional items and other comprehensive income	176.55	145.08	60.77
4	Depreciation and Amortization	5.53	4.53	3.31
5	Finance Costs	169.66	159.82	89.38
6	Profit before Tax (PBT)	2.09	(19.00)	(32.14)
7	Tax	-	-	-
8	Profit after Tax (PAT)	2.09	(19.00)	(32.14)
9	Other Comprehensive Income/(loss) Net of taxes	(0.73)	(0.27)	0.21
10	Total Comprehensive Income for the year	1.37	(19.27)	(31.92)

* Previous year figures have been regrouped and rearranged wherever necessary.

Detailed financials (Part of Annual Report) are available at below URL:

<https://www.herohousingfinance.com/financial-performance>

Qualification by Auditors: No qualification reported by auditors in last 3 years unless otherwise mentioned in annual report.

Audit reports (Part of Annual Report) are available at below URL:

<https://www.herohousingfinance.com/financial-performance>

J. Columnar representation of financial information for the last three years (Standalone basis): -

(₹ in Crore)				
	Particular	2022 (IND-AS)	2021 (IND-AS)	2020 (IND-AS)
A.	BALANCE SHEET			
1	Assets			
1	Financial assets	3,025.40	2,772.64	1,940.59
1	Non-financial Assets	35.30	24.21	22.13
	Total assets	3,060.69	2,796.86	1,962.72
	Liabilities and equity			
2	Liabilities			
2	Financial liabilities	2,609.87	2,355.28	1,610.49
2	Non-financial liabilities	18.78	15.35	8.36
	Total liabilities	2,628.65	2,370.63	1,618.85
3	Equity	432.04	426.22	343.87
	Total liabilities and equity	3,060.69	2,796.86	1,962.72

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B.	PROFIT AND LOSS ACCOUNT			
1	Income			
1	Revenue from Operations	298.30	232.79	137.81
1	Other Income	13.38	9.87	15.90
	Total Revenue	311.67	242.66	153.71
2	Expenditure	134.39	97.31	93.15
3	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) – Includes exceptional items and other comprehensive income	176.55	145.08	60.77
4	Depreciation and Amortization	5.53	4.53	3.31
5	Finance Costs	169.66	159.82	89.38
6	Profit before Tax (PBT)	2.09	(19.00)	(32.14)
7	Tax	-	-	-
8	Profit after Tax (PAT)	2.09	(19.00)	(32.14)
9	Other Comprehensive Income/(loss) Net of taxes	(0.73)	(0.27)	0.21
10	Total Comprehensive Income for the year	1.37	(19.27)	(31.92)
C.	Cash Flow			
1	Net cash generated from operating activities	(373.21)	(481.65)	(1,335.70)
2	Net cash used in / generated from investing activities	12.50	(172.55)	73.72
3	Net cash used in financing activities	234.64	750.02	1,392.66
4	Cash and cash equivalents	226.52	130.71	0.02
5	Balance as per statement of cash flows	100.46	226.52	130.71

* Previous year figures have been regrouped and rearranged wherever necessary

K. Abridged version of latest limited review Standalone financial information: -

(₹ in Crore)

	Particular	December 31, 2022 (IND-AS)
A.	BALANCE SHEET	
1.	Assets	
1.1	Financial assets	3,798.96
1.2	Non-Financial Assets	46.85
	Total assets	3,845.81
	Liabilities and equity	
2.	Liabilities	
2.1	Financial liabilities	3,081.14
2.2	Non-financial liabilities	20.12
	Total liabilities	3,101.26
3	Equity	744.55
	Total liabilities and equity	3,845.81
B.	PROFIT AND LOSS ACCOUNT	
1.	Income	
1.1	Revenue from Operations	290.55
1.2	Other Income	11.79

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	Total Revenue	302.35
2.	Expenditure	291.75
3.	Earnings/(Loss) before Interest, Tax, Depreciation and Amortization (E/(L)BITDA) – Includes exceptional items and other comprehensive income	167.87
4.	Depreciation and Amortization	5.61
5.	Finance Costs	151.67
6.	Profit/(Loss) before Tax	10.59
7.	Tax	0
8.	Profit/(Loss) after Tax	10.59
9.	Other Comprehensive Income/(loss) Net of taxes	(0.97)
10.	Total Comprehensive Income/(loss) for the year	9.62

L. Material Developments at the time of issue

Any Material events / developments or change having implications on the financials / credit quality (e.g. any material regulatory proceedings against the Issuer / Promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investors decision to invest / continue to invest in the non-convertible securities.

No material event/ development or change has occurred between the date of latest year end and the date of Issue which may affect the Issue or the Debenture holders' decision to invest / continue to invest in the debt securities.

M. Debenture Trustee

Vistra ITCL (India) Limited has been appointed as Debenture Trustee for the proposed Issue. The Debenture Trustee has given their consent to the Issuer for its appointment and a copy of the consent letter is *annexed* to this Disclosure Document. The Company will enter into a Trusteeship Agreement / Debenture Trust Deed, *inter-alia*, specifying the powers, authorities and obligations of the Company and the Debenture Trustee in respect of the Debentures.

The Debenture holders shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Debenture Trustee or any of their Agents or authorized officials to do, *inter alia*, all such acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures, if applicable, being offered in terms of this Disclosure Document. All rights and remedies under the Debenture Trust Deed / Trusteeship Agreement and/or other security documents, if any, shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture holders. Any payment made by the Company to the Debenture Trustee on behalf of the Debenture holder(s) shall discharge the Company pro tan to the Debenture holder(s). No Debenture holder shall be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, fails to do so.

Company reserves the right to appoint any other SEBI registered Trustee.

Due diligence

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 (on which the charge is proposed to be created) and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Disclosure Document, 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

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/advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets (on which the charge is proposed to be created) inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets on which the charge is proposed to be created and/or encumbrances in relation to such assets or any third-party security provider are registered / disclosed.

Further, in the event that 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.

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.

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.

Fees	As per the Debenture Trustee Agreement dated February 07, 2023 and Debenture Trustee Consent Letter dated February 07, 2023.
Details of security created	As per Security clause
Due diligence certificate as per the format specified in Annexure A as per SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020	Attached as Annexure 8

N. Credit Rating of Debentures

The Debentures are rated as "[CRISIL AA+ (stable)]" Pronounced CRISIL double A Plus and "[ICRA AA+ (stable)]" Pronounced ICRA double A Plus. This indicates "Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk".

The rating letter(s) as released by Credit Rating Agency is attached as annexed at the end of this document. Link is provided at page no. 2 to 3.

Guarantee or comfort for the Debentures

The Debentures are not backed by any guarantee or letter of comfort or any other document / letter with similar intent by any party.

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Consent from Debenture Trustee

Copy of consent letter from the Debenture Trustee is annexed.

Listing of Debentures

The Debentures are proposed to be listed on National Stock Exchange of India Ltd. ('NSE'), being the Designated Stock Exchange. The Debentures to be issued under the Offer Document will be applied to get listed on the WDM segment of NSE within 3 trading days from the issue closing date. The Company has obtained "in - principle" approval from NSE vide its letter dated February 9, 2023.

Other Details

DRR creation – No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures. In accordance with Rule (18)(7) of Companies (Share Capital and Debentures) Rules 2014 the Company is not required to create DRR for privately placed debentures.

Issue/ instrument specific regulations – Relevant section/s of Companies Act, 2013 which include Sections 42, 71, 77, 179, 180(1)(c) and 180(1)(a). The Debentures shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment and issue of capital and listing of securities issued from time to time by Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures.

Delay in Listing: In case of delay in listing of the debt securities beyond 3 trading days from the issue closing date, the Company shall pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and utilise the issue proceeds of the subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchange.

Delay in Allotment of Securities: In case of delay in listing of the debt securities beyond 3 trading days from the issue closing date, the Company shall pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and utilise the issue proceeds of the subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchange.

7) APPLICATION PROCESS

Who can bid / invest / apply?

All QIBs, non-QIB Investors, and arrangers/brokers/intermediaries etc. (as per the defined limit under provisions of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued on August 09, 2021, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 issued on August 10, 2021, titled “Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper”, SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 issued and updated from time to time) specifically mapped by the Issuer on the NSE–EBP Platform, are eligible to bid / invest / apply for this Issue. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.

How to bid?

All Eligible Investors are required to bid through NSE – EBP Platform, if not registered with NSE – EBP Platform, then will have to register themselves as investor on the said platform (this is one-time exercise. Eligible Investors will also have to complete the mandatory KYC verification process. Investors should refer to the Operational Guidelines of NSE for EBP platform.

(a) Modification of Bid:

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. NSE/DS/39017; dated September 28, 2018, subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and as per provisions under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued on August 09, 2021, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 issued on August 10, 2021, titled “Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper” as modified and/ or substituted from time to time.

(b) Cancellation of Bid

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018, subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and as per provisions under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued on August 09, 2021, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 issued on August 10, 2021, titled “Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper” as modified and/ or substituted from time to time.

(c) Multiple Bids

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018, subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and as per provisions under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued on August 09, 2021, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 issued on August 10, 2021, titled “Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper” as modified and/ or substituted from time to time.

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(d) Withdrawal of Issue

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018, subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and as per provisions under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued on August 09, 2021, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 issued on August 10, 2021, titled "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" as modified and/ or substituted from time to time.

Payment Mechanism

Subscription should be as per the final allocation made to the successful bidder(s) as notified by the Issuer.

How to apply?

All Application Forms, duly completed, must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein. Investors shall remit their subscription money by way of RTGS/NEFT/ Account Transfer, the credit has to come in the bank accounts of NSCCL on the PAYIN date on or before 10:30 AM. In case, the credit is not received in the account the application would be liable to be rejected. Company assumes no responsibility for non-receipt of application money due to any technical reasons.

Documents to be provided by Investors / applicants

Investors need to submit the following documents, along with the Application Form, as applicable

- Memorandum and Articles of Association along with Certificate of Incorporation/Documents Governing Constitution
- Board Resolution / letter authorizing the investment and containing operating instructions
- Certified true copy of the Power of Attorney
- PAN card
- Form 15AA for investors seeking exemption from Tax Deduction at Source (TDS) – both on Interest on Application Money as well as annual interest payments
- Specimen signature of the authorised signatories, duly certified by an appropriate authority
- SEBI Registration Certificate (for Mutual Funds)
- IRDA Registration Certificate (for Insurance Companies)

Who can invest /apply?

The investors, when specifically approached, who are eligible to apply for this private placement of Debentures are mentioned in the Term Sheet. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

Applications under Power of Attorney

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted failing which the applications are liable to be rejected.

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Interest on Application Money

Interest on Application Money will be paid at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any statutory modification or reenactment thereof) and will be paid on the entire application money on all valid applications.

Such interest shall be paid for the period commencing from the date of credit by way of funds transfer / Real time gross settlement up to one day prior to the date of allotment.

No interest on application money would be payable in cases of invalid applications.

Tax Deduction at Source

Income tax will be deducted as applicable as per the provisions of Income –tax Act, 1961.

Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder a Certificate of Tax Deduction at Source.

PAN/GIR Number

All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

Date of Subscription

Date of Subscription shall be the date of realization of proceeds of subscription money in the bank account of the NSCCL.

Settlement Process

In line with the operating guidelines for NSE EBP issued vide circular ref. no. NSE/DS/39017; dated September 28, 2018 and as per provisions under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued on August 09, 2021, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 issued on August 10, 2021, titled “Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper” as modified and/ or substituted from time to time.

Post-Allocation Disclosures by the EBP

In line with the operational guidelines issued by NSE and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 and subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and as per provisions under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued on August 09, 2021, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 issued on August 10, 2021, titled “Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper” as modified and/ or substituted from time to time.

8) DETAILS WITH REGARD TO THE LENDING DONE BY THE ISSUER OUT OF THE ISSUE PROCEEDS OF DEBT SECURITIES IN LAST THREE YEARS, INCLUDING DETAILS REGARDING THE FOLLOWING:

(i) Lending policy:

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

- Nature of loan i.e. based on the nature of loan
- Nature of Borrower i.e. Salaried/ Self Employed

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each Customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan by the Company on terms that the Company would not consider otherwise;
- or
- it is becoming probable that the borrower will enter bankruptcy or other financial re-organization;

The risk management committee has established a credit policy under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, background verification, financial statements, income tax returns, credit agency information, industry information, etc. Portfolio review is performed every quarter and is reviewed by the management on quarterly basis.

The Risk department will be responsible for the following with respect to managing HHFL's credit risk:

- Monitoring concentrations of exposure to counterparties, geographies, products, collateral securities available, etc. and reviewing the same on a regular basis.
- Provide timely MIS to senior management & RMC on the credit risk position.
- Adherence to Risk management policy

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Any new product or variant of an existing product or review of any existing product is the responsibility of risk department. The product program inter alia covers the following broad aspects – product objective, product/program limit, target category of customers, specific characteristics of the target customers, which have a bearing on risk assessment, borrower profiles, etc. and product features along with methodology for assessment of limits/loan amounts with approval matrix and deviation approval matrix with security.

HHFL has its own credit appraisal methodology and will establish strict credit processes and ensure on going assessment of risk. The guiding principle of lending is based on the acceptable level of risk-taking capability in pursuit of the company's strategic objectives. All the credit decisions shall consider the following, where applicable. The credit appraisal process inter alia involves an in-depth study of the industry, financial, commercial, technical and managerial aspects of the borrower as warranted by the product program. The Credit Underwriting team of our Company independently carries out an in-depth credit analysis and various checks of the borrower/related parties and provides independent opinion on all the aspects as warranted by the product program. Appropriate credit filters are also designed to weed out cases with weak credit profile and filters are never a proxy to in-depth credit analysis and market reference checks. Each credit proposals are prepared in an appropriate format and placed before the appropriate sanctioning authority. Credit appraisal format are as per the format in respective product program along with guidance notes. De-dupe is carried out as a best practice to check if the Borrower is already having a relationship with the Company. Our Company also obtains information from various bureau/agencies so as to stay updated on Borrower's credit health and account conduct with various lenders, if any. Our Company uses prudent assessment criteria, as a prudent lending practice, all current relevant information about any borrower are glanced from the files and over-reliance on information stored in the minds of the dealing officer or his private files are avoided. A robust internal credit rating framework is vital for effective credit risk management. Our Company follows the standard credit practices of analyzing and monitoring credit limits and exposures:

- KYC check on the borrower
- Market reputation of the borrower/counter-party
- Borrower's/counter-party's authority to borrow
- Existing repayment capability to service the proposed loans
- Outlook of industry sector in which the borrower is engaged
- Repayment terms
- Past repayment track record (Bureau check will be done to establish that)
- Source of repayment
- Cash flow forecast and debt-servicing ability including sensitivity, as applicable
- Strength of Collateral security offered for the exposure in terms of marketability, legal enforceability and liquidity

Monitoring and Collections:

Once the loan application is approved by the Company's credit committee and subject to the receipt of original documents relevant to the loan application and execution of the relevant loan and security documents, the loan is then disbursed. Post-disbursal, the Company's operations team will monitor the relevant post-disbursal documents which are collected by the relationship manager and submitted to the operations team for file completion. The Company's credit team also monitors the borrower through its financial covenants and review on a periodic basis. The repayment mode is through ACH. The customers are sent timely reminders via text/call before the EMI due date, collection team follows up with the customers in case of bounce and recovers the money.

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- (ii) Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.

NIL

- (iii) Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.;

Refer: X (a to h) below

- (iv) Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;

Concentration of Advances/Exposure:

Particulars	As at March 31, 2022
(i) Total advances to twenty largest borrowers/ customers (Amount in Rs. Crore)	138.26
(ii) Percentage of advances to twenty largest borrowers/ customers to total advances	5.11%

Concentration of all Exposure (including off-balance sheet exposure):

Particulars	As at March 31, 2022
(i) Total advances to twenty largest borrowers/ customers (Amount in Rs. Crore)	138.75
(ii) Percentage of advances to twenty largest borrowers/ customers to total advances	4.74%

- (v) Details of loans, overdue and classified as non-performing in accordance with RBI stipulations

Refer: X (f and g) below

- (vi) A portfolio summary with regard to industries/ sectors to which borrowings have been made

Refer: X(c) below

- (vii) NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the issuer:

Rs. in Crore	Mar-22*	Mar-21	Mar-20
Gross NPA	84.71	46.30	1.10
NPA Provisions	22.25	18.40	0.20
Net NPA	62.46	27.90	0.90
Gross NPA%	3.11%	1.95%	0.06%
Net NPA %	2.31%	1.19%	0.05%

*As per new RBI norms.

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- (viii) Quantum and percentage of secured vis-à-vis unsecured borrowings made as on 31st Dec-2022 (Apr-22 to Dec-22)

Type of Borrowing	Amount of Borrowing Raised (INR in Crore)	Percentage
Secured	750	85.71%
Unsecured	125	14.29%
Grand Total	875	100.0%

- (ix) Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI

-NO

- (x) Classification of loans/advances given to according to **(standalone basis)**:

(a) Type of loans as on 31-03-2022:		
S.No	Type of loans	Rs crore
1	Secured	2,691.67
2	Unsecured	30.68
	Total Loan Book*^	2,722.35
	Total	

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^Issuer is also required to disclose off balance sheet items;*

- (b) Denomination of loans outstanding by loan-to-value as on 31-03-2022:

S. No.	Segment-wise break-up of Loan Book	Percentage of Loan Book*	Weighted Avg. LTV
1.	Housing Loan	72.11%	67.79%
2.	Loan against Property	26.65%	49.50%
3.	Construction Finance	0.12%	33.67%
4.	Other loans including GECL	1.12%	NA (Unsecured)
	Total	100.00%	62.33%

- (c) Sectoral Exposure as on 31-03-2022

S. No	Segment-wise break-up of Loan Book	Percentage of Loan Book
1	Retail	
A	-Mortgage (home loans and loan against property)	98.76%
B	- Gold loans	0.00%
C	- Vehicle finance	0.00%
D	- MFI	0.00%
E	- M&SME	0.00%
F	- Capital market funding (loans against shares, margin funding)	0.00%

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S. No	Segment-wise break-up of Loan Book	Percentage of Loan Book
G	- Others	1.12%
2	Wholesale	
A	- Infrastructure	0.00%
B	- Real estate (including builder loans)	0.12%
C	- Promoter funding	0.00%
D	- Any other sector (as applicable)	0.00%
E	- Others	0.00%
	Total	100.00%

(d) Denomination of loans outstanding by ticket size*:

S. No	Ticket size (at the time of origination)	Percentage of Loan Book
1	Upto Rs. 2 lakh	0.09%
2	Rs. 2-5 lakh	1.61%
3	Rs. 5-10 lakh	8.06%
4	Rs. 10-25 lakh	45.03%
5	Rs. 25-50 lakh	23.30%
6	Rs. 50 lakh-1 crore	9.67%
7	Rs. 1-5 crore	8.63%
8	Rs. 5-25 crore	2.60%
9	Rs. 25-100 crore	1.03%
10	>Rs. 100 crore	0.00%
	Total	100.00%

* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)

(e) Geographical classification of borrowers as on 31-03-2022

S. No	Top 5 states	Percentage of Loan Book
1	Delhi	37.97%
2	Maharashtra	26.40%
3	Gujarat	11.26%
4	Rajasthan	10.85%
5	Uttar Pradesh	9.73%
	Total	96.20%

(f) Details of loans overdue and classified as non-performing in accordance with the RBI's stipulations:

Movement of gross NPA	Rs. In Crore (As on 31.03.2022)
Opening gross NPA	46.30
Additions during the year	57.27
Reductions during the year	18.86
Closing balance of gross NPA	84.71

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Movement of provisions for NPA	Rs. In Crore (As on 31.03.2022)
Opening balance	18.41
Provisions made during the year	14.60
Write-off / Write-back of excess Provisions	10.76
Closing balance	22.25

(g) Segment-wise gross NPA

S. No	Sector	Percentage (As on 31.03.2022)
	(A) Housing Loans:	
	(i) Individuals	2.82%
	(ii) Builders / Project Loans	-
	(iii) Corporates	0.89%
	(iv) Others (specify)	-
	(B) Non-Housing Loans	
	(i) Individuals	3.47%
	(ii) Builders / Project Loans	-
	(iii) Corporates	5.50%
	(iv) Others (specify)	-

(h) Residual maturity profile of assets and liabilities (in line with the RBI format): **As on March 31, 2022**

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month upto 2 months	over 2 months up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 3 years	over 3 years up to 5 years	Over 5 Years	Total
Current Year											
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	9.52	1.71	23.80	14.68	149.59	213.98	807.64	464.14	272.31	1,957.39
Market borrowings*	-	-	-	22.00	-	49.33	-	324.49	-	49.65	445.47
Foreign currency liabilities	-	-	-	-	-	-	51.07	-	-	-	51.07
Assets	-	-	-	-	-	-	-	-	-	-	-
Advances**	13.42	14.64	47.96	53.36	51.74	151.31	282.41	867.16	576.10	631.26	2,689.35
Investments***	121.39	-	49.86	24.91	-	-	-	-	-	-	196.16
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

*Market borrowings include long-term borrowings from parties other than banks.

**Advances includes housing and non-housing loans.

***Investment includes investment in mutual funds.

9) MATERIAL CONTRACTS AND AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS

Material Contracts - By very nature and volume of its business, the Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. Copies of these contracts together with the copies of documents referred hereinbelow may be inspected at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day until the Issue Closing Date.

- (i) Memorandum and Articles of Association of the Company.
- (ii) Certificate of Registration issued by National Housing Bank under Section 29A of The National Housing Bank Act, 1987.
- (iii) Shareholders' Resolution dated September 07th, 2021 authorizing the board including any committee of the Board to make offers or invitations to the eligible persons to subscribe to the NCDs of the company on private placement basis and Board Resolution dated January 23rd, 2023.
- (iv) Consent letter from Vistra ITCL (India) Limited for acting as Debenture Trustee for and on behalf of the Debenture holders.
- (v) Consent letter from KFin Technologies Private Limited for acting as Registrars and Transfer Agents to the Issue.
- (vi) Letter from CRISIL Rating conveying the credit rating for the Debentures of the Company.
- (vii) Tripartite Agreement between the Company, National Securities Depository Limited ("NSDL") and the Registrar for the Issue of Debentures in dematerialised form.
- (viii) Tripartite Agreement between the Company, Central Depository Services (India) Limited ("CDSL") and the Registrar for the Issue of Debentures in dematerialised form.
- (ix) Annual Reports of the Company for last three years.

10) BASIC TERMS OF THE PRESENT OFFER

Refer Issue Details / Term sheet for issue specific details.

Minimum Subscription

Minimum subscription, for overall issue level, is not applicable for privately placed debentures. However, minimum subscription (minimum application) per investor shall be as per the provisions of the RBI Directions and the same is being separately given in the Term Sheet.

Deemed Date of Allotment

All benefits related to the Debentures will be available to the allottees from the Deemed Date of Allotment. The actual allotment of the Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/Deemed date(s) of Allotment at its sole and absolute discretion without any notice to the Debenture holders. In case the Issue Closing Date is revised, the Deemed Date of Allotment may also be revised by the Company at its sole and absolute discretion.

Market Lot

Market lot will be one debenture

Contributions being made by the promoters or directors either as part of the offer or separately in furtherance of such objects

None

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Security:

The Debentures are proposed to be secured by first pari-passu charge on standard business receivables (day past due below 90 days) of Company to the extent of 1.00 time of issue size at all times until maturity (except, receivables, if any, given on exclusive charge to any lenders), (Hereinafter called as "Primary Security"). Further, the Debentures will also be proposed to be secured by additional interim security in the form of current assets which may include cash & cash equivalent, including current investments of the Company in the form of Fixed Deposit or Mutual Funds or any short-term treasury investments ("Interim Security"). It is hereby clarified that this Interim Security will be maintained by the Company only till the period the Receivables are not 100% as the Primary Security and not at all times until maturity. The Interim Security will be only for the interim period of the issue size."

In the event the Company seeks release of Interim Security, the Debenture Trustee shall intimate for such release to the debenture holders and issue the No-objection certificate, on non-receipt of any objection from the majority debenture holder for release of such Interim Security, after the expiry of the 3 days (including non-business days) from the date of intimation. The Company shall provide a security cover certificate (prior to such release of such Interim Security), providing details of the receivables to the extent of 1x cover for securing the Debentures. At any time if the security cover falls below 1x cover, the Company shall immediately and no later than 7 working days create such Interim Security for maintaining the due security cover.

The security will be created within the prescribed time limit.

Type of security: Movable

Type of Charge: Pari-passu charge.

Likely date of Creation: Within 30 days from the date of Deed of Hypothecation (filing with ROC)

Minimum Security Cover: 1.00 time.

Revaluation: Not applicable

Replacement of Security: (i) Business receivable having DPD greater than 90 days shall be replaced upfront.
(ii) At any time if the security cover falls below 1x cover, the Company shall immediately and no later than 7 working days create such Interim Security for maintaining the due security cover.

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: Please refer default interest rate clause as referred in the term sheet.

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Debentures in Dematerialized Form

The Company is issuing the Debentures only in dematerialized form and hence no Debentures are being issued in physical form in terms of the Disclosure Document. The Company has entered in to Depository Arrangements with NSDL and CDSL for dematerialization of the Securities.

Applicants have to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. Debentures of successful allottee(s) having Depository Account shall be credited to their Depository Account.

Undertaking- Common Form of Transfer

The Company hereby undertakes that it shall use a common form of transfer for all NCDs issued by the Issuer

Joint-Holders

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint holders with benefits of survivorship in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company, subject to other provisions contained in the Articles of Association of the Company.

Mode of Transfer

The Debentures shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission, nomination and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall apply mutatis mutandis to the transfer and transmission of the Debentures and nomination in this respect.

Succession

In the event of demise of the sole holder of the Debentures, the Company will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognize such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof and / or indemnity.

Governing law

The Debentures shall be construed to be governed in accordance with Indian Law. The competent Courts at Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed / Trustee Agreement.

Record Date

The Record Date for the Debentures shall be 15 calendar days prior to the date of each of the Coupon Payment Date and/or the Redemption Date, as the case may be. In case the Record Date falls on non-Business Day, the day prior to the said non-Business Day will be considered as the Record Date.

Interest and/or Redemption Amount shall be paid to the person whose name appears as sole / first in the register of Debenture holders at the close of the Record Date. In the event of the Company not receiving

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any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the Redemption Date, as the case may be, the transferees of the Debentures shall not have any claim against the Company in respect of interest and/or Redemption Amount so paid to the registered Debenture holders.

In case of those Debentures for which the beneficial owner is not identified by the Depository at the close of the Record Date, the Company would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Company, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days from the date of such notification by the Depository.

List of Debenture holders / Beneficiaries

The Company shall request the Depository to provide a list of Debenture holders at the close of the Record Date. This shall be the list, which shall be considered for payment of interest or Redemption Amount, as the case may be.

Effect of Holidays

Payment convention to be followed as per Chapter III of SEBI operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

Deduction of Tax at Source (TDS)

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source on payment of interest or any other sums payable in respect of the Debentures. For seeking TDS exemption/lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 15 days before the Coupon Payment Date (s) with the Registrar or to such other person(s) at such other address(es) as the Company may specify from time to time through suitable communication.

Tax exemption certificate/ declaration of non-deduction of TDS on Interest on Application Money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder(s) a Certificate of Tax Deduction at Source.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

Payment on Redemption

The Debentures shall be redeemed at the end of the Tenor ("Redemption Date"), as mentioned in the Issue Details.

The Debentures will not carry any obligation, for interest or otherwise, after the Redemption Date. The Debentures held in the dematerialized form shall be taken as discharged on payment of the Redemption Amount on Redemption Date to the registered Debenture holders whose name appear in the list given by the Depository to the Company at the close of the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders.

Payment of Redemption Amount will be made by way of Cheque / DD / RTGS / NEFT / Electronic mode and any other prevailing mode of payment in the name of Debenture Holder(s) whose name appears on the list given by the Depository to the Company at the close of the Record Date. Cheque / DD will be dispatched to the Debenture holder(s) by Courier / Registered Post / Hand Delivery, in accordance with the existing rules / laws at the sole risk of the Debenture holder(s) to the sole holder(s) / first named holder(s) at the address registered with the Company.

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Events of Default

The whole of the principal moneys shall be deemed forthwith to have become due and payable and the security hereby constituted shall become enforceable in each and every one of the following events and the Trustees may in their discretion and / or shall upon request in writing of the holders of the Debentures 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 by three-fourth majority of votes and by a notice in writing to the Company declare the principal amount of the Debenture and all accrued interest thereon to be due and payable forthwith and the security created hereunder shall become enforceable.

- a) If the Company makes default in the payment of principal moneys and accrued interest which ought to be paid in accordance with the schedule to these presents.
- b) If the company makes two consecutive defaults in the payment of any interest hereby secured on the date when such interest is by these presents made payable.
- c) If the company without the consent of the debenture holders ceases or threatens to cease to carry on its business or gives notice of its intention to do so or if it appears to the Trustee that the Company is carrying on business at such a loss, the further continuation by the Company of its business will endanger the security, if any, of the debenture holders.
- d) If an order shall be made or an effective resolution passed for winding up the Company.
- e) If the Company commits a breach of any of the covenants, conditions or provisions herein contained and / or financial covenants and conditions on its part to be observed and performed.
- f) If the Company shall make any alteration in the provision of its Memorandum & Articles of Association which in the opinion of the Trustee is likely detrimental or affect the interest of the debenture holders and shall upon demand by the Trustees refuse or neglect or be unable to rescind such alteration.
- g) If, there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily may be or have been commenced.
- i) The Company is unable or has admitted in writing its inability to pay its debts as they mature.
- j) When there is default in payment of interest and / or principal to the debenture-holders, if the Company creates or purports or attempts to create any charge, sale or mortgage on the premises hereby charged, without the consent, in writing, of the Trustees.
- k) If at any time it appears from the Balance Sheet of the Company or the Trustee shall certify in writing, that in their opinion the liabilities of the Company exceed its assets including its uncalled capital or that the Company is carrying on its business at a loss.
- m) When an order has been made by the Tribunal or a special resolution has been passed by the members of the Company for winding up of the company.

Manner of Voting/ Conditions of joining Inter Creditor Agreement:

As per applicable law and Inter Creditor agreement entered by the Lenders/Creditors.

Future Borrowings

The Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form including issue of Debentures/ other securities in any manner having such ranking in priority, pari-passu

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or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as the Company may think appropriate, without having any need to obtain the consent of, or intimation to, the Debenture holders or the Trustees in this connection.

Securitization / Assignment of Receivables

Notwithstanding anything else contained in this document or any other Transaction Documents, as long as the Security is sufficient to ensure that the issuer continues to be in compliance with the minimum Security Cover, as referred in the security clause(s), the issuer can assign / securitize receivables forming part of the securities without any consent from the Debenture Holder(s) / Debenture Trustee and the said receivables shall no longer form part of the Security arrangement contemplated in the transaction documents.

Purchase/ Sale of Debentures

The Company may, at any time and from time to time, purchase Debentures at discount, at par or at premium in the open market or otherwise in accordance with the applicable laws. Such Debentures, at the option of the Company, may be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

Right to Re-Issue of Debentures

Where the Company has redeemed any Debentures, subject to provisions of the Companies Act, 2013 and other applicable provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of re-issue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures as per the provisions of law either by reissuing the same Debentures or by issuing other debentures in their place in either case, at such price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

Right of Consolidation and Reissuance

The Company may, at any point of time, make further issuance under the same ISIN. The Board of Directors/Committee of Directors shall have the power to consolidate and reissue its debt securities, including the Debentures, on such terms and conditions as they may deem fit.

Tax Benefits to the Debenture holders

The holder(s) of the Debentures are advised to consider in their own case, the tax implications in respect of subscription to the Debentures after consulting their own tax advisor/ counsel.

Consents

The consents in writing of Registrar to the Issue and the Debenture Trustee to act in their respective capacities have been obtained.

Sharing of Information

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company nor its subsidiaries and affiliates or their agents shall be liable for use of the aforesaid information.

Debenture holder not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders of the Company.

Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated by the Company, with the consent, in writing, of those Debenture holders who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders as may be prescribed in the Trusteeship Agreement / Debenture Trust Deed, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

Notice(s)

All notices to the Debenture holder(s) required to be given by the Company or the Debenture Trustee from time to time, shall be deemed to have been given if sent by registered post / by courier to the sole / first allottee or the sole / first Debenture holder of the Debentures, as the case may be, or if published in one English newspaper.

All notice(s) to be given by the Debenture holder(s) shall be sent by registered post, courier or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

Disputes and Governing Law

The Debentures are governed by and shall be construed in accordance with the existing Laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the Courts at Delhi in India.

Right to Accept or Reject Applications

The Company reserves full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The applicants will be intimated about such rejection along with the refund warrant. The Application Forms that are not complete in all respects are liable to be rejected and such applicant would not be paid any Interest on Application Money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Bank account details not given;
- b. Details for issue of debentures in electronic/ dematerialized form not given;
- c. PAN not mentioned in appropriate place.
- d. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;

In the event of number of Debentures applied for are not allotted in full, the excess application money of such applicant will be refunded, as may be permitted.

11) FORM NO PAS-4 PRIVATE PLACEMENT OFFER LETTER
[PURSUANT TO SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND
ALLOTMENT OF SECURITIES) RULES, 2014]

1. GENERAL INFORMATION

- a. **Name, address, website, if any, and other contact details of the company indicating both registered office and corporate office:** Please refer page no. 1
- b. **Date of incorporation of the company:** Please refer page no. 1
- c. **Business carried on by the company and its subsidiaries with the details of branches or units, if any:** Please refer page no. 24 to 27
- d. **Brief particulars of the management of the company:**

Board of Directors	Please refer page no. 35
Senior Management	Please refer page no. 28

- e. **Names, addresses, Director Identification Number (DIN) and occupations of the directors:** Please refer page no. 35
- f. **Management's perception of risk factors:** Please refer page no. 15 to 22.
- g. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of – (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon:**
 - i) **Statutory dues** : No Default
 - ii) **Debentures and interest thereon** : No Default
 - iii) **Deposits and interest thereon** : No Default
 - iv) **Loan from any bank or financial institution and interest thereon:** No Default
- h. **Name, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process:** Please refer page no. 28.
- i. **Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:** Nil

2. PARTICULARS OF OFFER

- a. **Financial position of the Company for the last 3 financial years:** Please refer page no. 29 & 30.
- b. **Date of passing of Board resolution:** Board Resolution dated January 23, 2023.
- c. **Date of passing of resolution in the general meeting, authorizing the offer of securities:** September 07, 2021
- d. **Kind of Securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued:** Please refer term sheet on page no. 68 to 74
- e. **Price at which the security is being offered including the premium, if any, along with justification of the price:** Please refer term sheet on page no. 68 to 74
- f. **Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer:** Not Applicable
- g. **Relevant date with reference to which the price has been arrived at:** Not Applicable
[Relevant Date means a date atleast thirty days prior to the date on which the general meeting of the company is scheduled to be held]

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- h. **The class or classes of persons to whom the allotment is proposed to be made:** Please refer term sheet on page no. 68 to 74.
- i. **The proposed time within which the allotment shall be completed:** Please refer term sheet on page no. 68 to 74.
- j. **The change in control, if any, in the company that would occur consequent to the private placement:** Nil
- k. **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:** Not applicable to the Company as per Rule 14(7) of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018 as amended read with Guidelines on Private Placement of NCDs (maturity more than 1 year) by HFCs issued by Reserve Bank of India
- l. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** Not Applicable
- m. **Amount which the company intends to raise by way of proposed offer of securities:** Please refer term sheet on page no. 68 to 74
- n. **Terms of raising of securities- Duration, if applicable, rate of dividend or rate of interest, mode of payment and repayment:** Please refer term sheet on page no. 68 to 74.
- o. **Proposed time schedule for which the private placement offer cum application letter is valid:** Please refer term sheet on page no. 68 to 74.
- p. **Purposes and objects of the offer:** Please refer term sheet on page no. 68 to 74.
- q. **Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects:** Not Applicable
- r. **Principle terms of assets charged as security, if applicable:** Please refer term sheet on 68 to 74.
- s. **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:** Nil
- t. **The pre-issue and post-issue shareholding pattern of the company in the following format:**

Pre-issue shareholding pattern	Please refer page no. 33
Post-issue shareholding pattern	No change as the company is issuing Non-convertible debentures

3. MODE OF PAYMENT OF SUBSCRIPTION: Please refer term sheet on page no. 68 to 74.

4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

- (i) **Any Financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

Nil

- (ii) **Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of this placement memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action:**

Nil

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(iii) Remuneration of directors (during the current year and last three financial years)

F.Y. 2021-22	Please refer to page 79 of the section on "Remuneration of Directors and Key Managerial Personnel" in the in the Annual report of FY 2021-22 of the Company.
F.Y. 2020-21	Please refer to page 73 & 74 of the section on "Remuneration of Directors and Key Managerial Personnel" in the in the Annual report of FY 2020-21 of the Company.
F.Y. 2019-20	Please refer to page 59 & 60 of the section on "Remuneration of Directors and Key Managerial Personnel" in the in the Annual report of FY 2019-20 of the Company.
F.Y. 2018-19	Please refer to page 55 & 56 of the section on "Remuneration of Directors and Key Managerial Personnel" in the in the Annual report of FY 2018-19 of the Company.

Note: Please note that all the annual reports are uploaded on the website of the Company and accessible through the following URL:

<https://www.herohousingfinance.com/financial-performance>

(iv) Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantee given or securities provided

F.Y. 2021-22	Please refer Note no. 37 to the financial statements as appearing on page 155 & 156 of the Annual report of FY 2021-22 of the Company.
F.Y. 2020-21	Please refer Note no. 35 to the financial statements as appearing on page 136 & 137 of the Annual report of FY 2020-21 of the Company.
F.Y. 2019-20	Please refer Note no. 35 to the financial statements as appearing on page 134 & 135 of the Annual report of FY 2019-20 of the Company.
F.Y. 2018-19	Please refer Note no. 32 to the financial statements as appearing on page 120 of the Annual report of FY 2018-19 of the Company.

Note: Please note that all the annual reports are uploaded on the website of the Company and accessible through the following URL:

<https://www.herohousingfinance.com/financial-performance>

(v) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark: Nil

(vi) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries, Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries:

Hero Housing Finance Limited

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/Court)
Company				
Compounding	Section 56(4) and Section 441	Delay in issuance of share certificates	Rs. 25,000	Regional Director, North
Directors				

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Compounding	Section 56(4) and Section 441	Delay in issuance of share certificates	Rs. 30,000	Regional Director, North
Condonation of Delay	Section 460	Delay in filing e form INC-28	-	Regional Director, North

(vii) Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company: Nil

1) FINANCIAL POSITION OF THE COMPANY:

- i. **Capital Structure of the Company:** Please refer page no. 31 to 32.
- ii. **SIZE of the present offer:** Please refer term sheet on page no. 68 to 74.
- iii. **Paid up capital**
 - I. **After the Offer-** No change as the company is issuing Non-Convertible Debentures
 - II. **after conversion of convertible instruments-** Not applicable
- iv. **Share Premium Account (before and after the offer):**

Pre-issue Share Premium Account	Please refer page no. 32.
Post-issue Share Premium Account	No change as the company is issuing Non-convertible debentures

i.

- (a) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration: Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case: Please refer page no. 33.
- (b) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter: Please refer page no. 39.
- (c) Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid): Please refer page no. 39
- (d) A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter: Please refer page no. 39 to 40.
- (e) Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter: Please refer page no. 40 to 41.
- (f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:

These financial statements, for the year ended March 31, 2019, are the first financial statements, the Company has prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of the Companies Act, 2013, ('the Act') (including subsequent amendments thereto) and other relevant provisions of the Act. Accordingly, the Company has prepared its financial statements to comply with Ind AS applicable for the year ended March 31, 2019, together with

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comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2019, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 1, 2017 compared with those presented in the previous GAAP Balance Sheet as of March 31, 2017, were recognized in equity under retained earnings within the Ind AS Balance Sheet. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2017 and financial statements as at and for the year ended March 31, 2018.

Particulars	Year ended March 31, 2018 (in Rs. Lakhs)
Profit / (Loss) after tax as per previous GAAP	(596.47)
Add/(less) :	
Decrease in interest income pursuant to application of effective interest rate method	(8.43)
Net gain on fair value changes	315.28
Profit after tax as per Ind AS	289.62
Other comprehensive income/(loss) (net of tax)	0.00
Total comprehensive income (after tax) under Ind AS	289.62

12) WILFUL DEFAULTER

Neither our Company, nor any of its promoters or directors have been declared as a wilful defaulter.

13) DECLARATION BY THE DIRECTORS

- (a) the Issuer 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 made thereunder;
- (b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
- (c) the monies received under the offer shall be used only for the purposes and objects indicated in this Placement Memorandum;
- (d) 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.

14) ISSUE DETAILS / TERM SHEET

Security Name	Hero Housing Finance Limited Listed Rated Secured Redeemable Non-Convertible Debentures – (Issue Series No. HHFL/NCD/008)
Issuer	Hero Housing Finance Limited
Type of Instrument	Listed Rated Secured Redeemable Non-Convertible Debentures (NCD)
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Details of Anchor (if any)	None
Eligible Investors	All Qualified Institutional Buyers as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 Any other investor authorized to invest in these Debentures as per prevailing and applicable Regulations/ Law (Investor are requested to check their eligibility to invest in the instrument as per rules, regulations, guidelines, statute or any government order applicable to them. Issuer has not checked the eligibility for any class of investor.)
Listing	The Debentures to be issued under the Offer Document will be applied to get listed on the WDM segment of NSE within 3 trading days from the issue closing date.
Rating	AA+ Stable by CRISIL & AA+ Stable by ICRA. This rating indicates [high degree of safety regarding timely payment of financial obligations]
Face Value	₹1,00,000 (Rupees One Lakh)
Issue Size	₹ 15 Crore Base Issue Size (with an option to retain additional ₹ 75 Crore)
Minimum Subscription (Minimum Bid Lot)	100 NCDs (₹1 Crore) and Multiples of 1 NCD (₹ 1 Lakh) thereafter
Option to retain oversubscription	Option to retain additional ₹ 75 Crore over and above the Base Issue Size
Objects of the Issue	To augment long term resources of the company. The proceeds from the issue will be utilized for general business purpose including for various financing activities, to repay the existing loans, investment for liquidity & statutory requirements, capital expenditure and working capital needs, in line with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021 and any other applicable regulations.
Utilisation of the Proceeds	The proceeds will be utilized in-line with the objects of the issue. Up to 100% funds will be utilized within the categories mentioned in the objects of the issue.
Coupon Rate	8.50% p.a.
Step Up/ Step Down Coupon	Not Applicable
Coupon Payment Frequency	Annual
Coupon Type	Fixed/ Simple
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor)	Not Applicable
Day Count Basis	Actual / Actual Interest shall be computed on an “actual/actual basis”. Where the interest period includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	Interest on application money will be paid to investors at coupon rate, from and including the date of realization of Cheque(s)/RTGS up to but excluding the Deemed Date of Allotment. The same to be paid within 7 days from the Deemed Date of Allotment.

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Default Interest Rate	<p>2% p.a. over the coupon rate will be payable by the Company for the defaulting period, for any default of its obligations under the terms and conditions of the Disclosure Document and/or the Debenture Trust Deed except for the following:</p> <ul style="list-style-type: none"> i. Default in Payment: 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 shall be payable by the Company for the defaulting period. ii. Delay in Listing: Pursuant to SEBI Circular SEBI/HO/DDHS/CIR/P/2020/198 dated October 5, 2020 (as revised/ modified/ altered/ superseded by any applicable SEBI Regulations issued from time to time), in case of delay in listing of the debt securities beyond 3 trading days from the issue closing date, the Company shall pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing) and utilise the issue proceeds of the subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchange. iii. Delay in execution of Debenture Trust Deed ("DTD") & Deed of Hypothecation ("DOH"), wherever applicable, within the stipulated timelines: In case of delay in execution of DTD and DOH, as applicable, within the stipulated timelines, additional interest of at-least @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period.
Tenor in Days	3,653 Days from the deemed date of allotment
Redemption Date	Tuesday, February 15, 2033
Redemption Amount (per Debenture) (including Coupon if any, compounded annually and payable upon maturity)	₹1,00,000 (Rupees One Lakh) i.e. Face Value (per Debenture)
Redemption Premium/ Discount per Debenture	Not Applicable
Issue Price (per Debenture)	<p>₹1,00,000 (Rupees One Lakh) i.e. at par</p> <p>(In case the Coupon is specified by Issuer and Manner of Allotment is specified as Multiple Yield, then the Issue Price (per Hundred per Debenture) will be different for each Investor/ Allottee as per the Price (per Hundred per Debenture) specified on the Electronic Bidding Platform by each such successful Investor/ Allottee and accepted by the Issuer, in line with the prevailing SEBI guidelines in this regard)</p>
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Justification of Issue Price	Not Applicable
Put Date	Not Applicable
Put Price	Not Applicable
Call Date	Not Applicable
Call Price	Not Applicable
Put Notification Time (Timelines by which the investor need to	Not Applicable

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intimate Issuer before exercising the put)	
Call Notification Time (Timelines by which the issuer need to intimate investor before exercising the call)	Not Applicable
Face Value (per Debenture)	₹1,00,000 (Rupees One Lakh)
Minimum Application & in multiples thereafter (Minimum Bid Lot)	100 NCDs (₹1 Crore) and Multiples of 1 NCD (₹ 1 Lakh) thereafter
Issue Timing: 1. Issue / bid Opening Date 2. Issue / bid Closing Date 3. Pay – in – Date 4. Deemed Date of Allotment	Tuesday, February 14, 2023 Tuesday, February 14, 2023 Wednesday, February 15, 2023 Wednesday, February 15, 2023
Settlement Mode of the Instrument	Payment of interest/principal/redemption premium will be made by way of RTGS/ NEFT/ Funds Transfer.
Interest Rate Parameter (Issue Parameter)	Fixed Coupon
Manner of Bidding Parameters	Price based bidding
Manner of Allotment	Multiple Yield Allotment
Manner of Settlement	Through Clearing Corporation
Settlement Cycle	T+1 (T is Bid Closing Date)
Mode/ Manner of bidding	Open Bidding
Issuance mode of the Debentures	Dematerialized Mode
Trading Mode of the Debentures	Dematerialized Mode
Depository	NSDL & CDSL
Disclosure of Interest/Dividend / redemption dates	Please refer Cashflow beneath
Record Date	15 Calendar Days prior to each Coupon Date/Redemption Date or Call/Put Option Date (if any)
All covenants of the issue (including side letters, accelerated payment clause, etc.)	None
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>Security: The Debentures are proposed to be secured by first pari-passu charge on standard business receivables (day past due below 90 days) of Company to the extent of 1.00 time of issue size at all times until maturity (except, receivables, if any, given on exclusive charge to any lenders), (Hereinafter called as "Primary Security"). Further, the Debentures will also be proposed to be secured by additional interim security in the form of current assets which may include cash & cash equivalent, including current investments of the Company in the form of Fixed Deposit or Mutual Funds or any short-term treasury investments ("Interim Security"). It is hereby clarified that this Interim Security will be maintained by the Company only till the period the Receivables are not 100% as the Primary Security and not at all times until maturity. The Interim Security will be only for the interim period of the issue size."</p> <p>In the event the Company seeks release of Interim Security, the Debenture Trustee shall intimate for such release to the debenture holders and issue the No-objection certificate, on non-receipt of any objection from the majority debenture holder for release of such Interim Security, after the expiry of the 3</p>

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	<p>days (including non-business days) from the date of intimation. The Company shall provide a security cover certificate (prior to such release of such Interim Security), providing details of the receivables to the extent of 1x cover for securing the Debentures. At any time if the security cover falls below 1x cover, the Company shall immediately and no later than 7 working days create such Interim Security for maintaining the due security cover.</p> <p>The security will be created within the prescribed time limit.</p> <p>Type of security: Movable Type of Charge: Pari-passu charge. Likely date of Creation: Within 30 days from the date of Deed of Hypothecation (filing with ROC) Minimum Security Cover: 1.00 time. Revaluation: Not applicable Replacement of Security: (i) Business receivable having DPD greater than 90 days shall be replaced upfront. (ii) At any time if the security cover falls below 1x cover, the Company shall immediately and no later than 7 working days create such Interim Security for maintaining the due security cover.</p> <p>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: Please refer default interest rate clause as referred in the term sheet.</p>
Business Day Convention	<p>Business Day means a day which is not a Sunday or a public holiday and on which commercial banks open for business in Mumbai and New Delhi for the clearing of cheque and RTGS facilities are available.</p> <p>If any principal payment date is not a Business Day, principal and accrued interest will be payable on the previous Business Day which shall be the principal payment date. Further, if the redemption date of debentures issued on Discount-Par/Par-Premium compounding structure, if any, is not a business day, then payment will be made on previous business day and redemption value will be modified accordingly for number of days elapsed from issue date. Also, upon the exercise of the Put or Call Option, if any, by the Investor(s)/ Debenture Holder(s) or Issuer, if the resultant redemption of the debentures and the interest payable thereupon falls on a date which is not a business day, then payment will be made on previous business day and the value of interest payable will be modified accordingly for number of days elapsed from last date of coupon payment.</p>
Record Date	15 Calendar Days prior to each Coupon Date/Redemption Date or Call/Put Option Date (if any)
Transaction Documents	<ol style="list-style-type: none"> 1. Disclosure Document/Placement Memorandum 2. Debenture Trust Deed 3. Deed of Hypothecation 4. Other Documents as per extant and applicable Regulations and Laws
Conditions Precedent to Disbursement	Nil
Conditions Subsequent to Disbursement	Nil

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Early redemption option with debenture holders	As set out in the Transaction Documents
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	As set out in the Transaction Documents
Creation of recovery expense fund	A Bank Guarantee has been created in favor of "NSE" to comply with SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 and any amendments there to from time to time.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	As disclosed in the Transaction Documents
Provisions related to Cross Default	Not Applicable
Debenture Trustee	Vistra ITCL (India) Limited
Roles and Responsibilities of Debenture Trustee	As defined in the debenture trust deed to be executed.
Risk factors pertaining to the issue	Please refer page no. 15 to 22 of the disclosure document.
Governing Law and Jurisdiction	The Debentures shall be construed to be governed in accordance with Indian Laws. The competent courts at Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions of this Disclosure Document and Terms and Conditions of the Debenture Trust Deed/Trustee Agreement.

*Above terms have been incorporated in line with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021 and any term in contradiction to the regulations, shall supersede the terms mentioned above

Notes:

While the debt securities shall be secured as per the terms of transaction documents, in favour of Debenture Trustee, it will be the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Cash Flows		
Final Redemption Date	Tuesday, February 15, 2033	
Door to Door Tenor (Days)	3,653	
Interest Rate Parameter (Issue Parameter)	Fixed Coupon	
Manner of Bidding Parameters	Price Based Bidding	
Manner of Allotment	Multiple Yield Allotment	
Coupon Payment Frequency	Annual	
Coupon Type	Fixed Rate/ Simple	
Coupon Rate	8.50% p.a.	
Redemption Premium/ Discount per Debenture	Not Applicable	
Cash Inflow per NCD	Date	Amount
Pay In	Wednesday, February 15, 2023	₹1,00,000

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Cash Outflow per NCD – Interest				
1 st Coupon			Scheduled Coupon Date	Thursday, February 15, 2024
			No. of days	365
			Amount	₹8,500
			Interest Payment Date*	Thursday, February 15, 2024
2 nd Coupon			Scheduled Coupon Date	Saturday, February 15, 2025
			No. of days	366
			Amount	₹8,500
			Interest Payment Date*	Saturday, February 15, 2025
3 rd Coupon			Scheduled Coupon Date	Sunday, February 15, 2026
			No. of days	365
			Amount	₹8,500
			Interest Payment Date*	Monday, February 16, 2026
4 th Coupon			Scheduled Coupon Date	Monday, February 15, 2027
			No. of days	365
			Amount	₹8,500
			Interest Payment Date*	Monday, February 15, 2027
5 th Coupon			Scheduled Coupon Date	Tuesday, February 15, 2028
			No. of days	365
			Amount	₹8,500
			Interest Payment Date*	Tuesday, February 15, 2028
6 th Coupon			Scheduled Coupon Date	Thursday, February 15, 2029
			No. of days	366
			Amount	₹8,500
			Interest Payment Date*	Thursday, February 15, 2029
7 th Coupon			Scheduled Coupon Date	Friday, February 15, 2030
			No. of days	365
			Amount	₹8,500
			Interest Payment Date*	Friday, February 15, 2030
8 th Coupon			Scheduled Coupon Date	Saturday, February 15, 2031
			No. of days	365
			Amount	₹8,500
			Interest Payment Date*	Saturday, February 15, 2031
9 th Coupon			Scheduled Coupon Date	Sunday, February 15, 2032
			No. of days	365
			Amount	₹8,500
			Interest Payment Date*	Monday, February 16, 2032
10 th Coupon			Scheduled Coupon Date	Tuesday, February 15, 2033
			No. of days	366
			Amount	₹8,500
			Interest Payment Date*	Tuesday, February 15, 2033
Cash Outflow per NCD – Redemption				
Principal Payment/ Redemption Date	Final	Scheduled Payment Date*		Tuesday, February 15, 2033
		Amount		₹1,00,000

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* Subject to working business day. In case of a non-business day, then payment will be done as per clause "Business Day Convention" of the Term Sheet".

In case of a non-working day i.e. a non Business Day, then payment will be done as per clause "Business Day Convention" of the Term Sheet.

- The Cash Flow displayed above is calculated per debenture (face value of Rs. 1,00,000 (Rupees One Lakh).
- The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.
- *Interest payments are rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.*
- *The cash flows are for illustrative purposes*
- *The Issuer reserves the right to change the Issue Closing Date and, in such event, the Date of Allotment for the Debentures may also be revised by the Issuer at its sole and absolute discretion. In the event of any change in the above issue program, the Issuer will intimate the investors about the revised issue schedule.*

A DECLARATION BY THE DIRECTORS THAT –

- a. the company has complied 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 made thereunder;
- b. the compliance with the said Act(s) and the rules made thereunder do not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;
- d. 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.

We are authorized by the Board of Directors of the Company vide Resolution dated October 28, 2021 to sign this Placement Memorandum (PM) and declare that all the requirements of the Companies Act, 2013 and the rules made there under in respect of the subject matter of this PM and matters incidental thereto have been complied with. Whatever is stated in this PM and in the attachments thereto is true, correct and complete and no information material to the subject matter of this PM has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum and Articles of Association.

It is further declared and verified that all the required attachments have been completed, correctly and legibly attached to this form.

Place: Delhi

For Hero Housing Finance Limited

Shivendra Suman
Chief Compliance Officer

Shyam Lal
Authorised Signatory

Date: February 10, 2023

Attachment (As per the annexure):

- 1) Copy of Board Resolution
- 2) Copy of Shareholders Resolution
- 3) Credit Rating Letter
- 4) Consent from the RTA
- 5) Consent from Debenture Trustee
- 6) Audited Financials for the Year ended March 31, 2022 and Limited Review Report for the standalone financial information on quarter ended i.e. 31.12.2022
- 7) Application form
- 8) Due Diligence Certificate
- 9) In principle approval letter

ANNEXURE 1 – COPY OF BOARD RESOLUTION



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE 41ST MEETING OF THE BOARD OF DIRECTORS ("BOARD") OF HERO HOUSING FINANCE LIMITED ("THE COMPANY") HELD ON MONDAY, JANUARY 23, 2023 AT ITS REGISTERED OFFICE AT 34, COMMUNITY CENTRE, BASANT LOK VASANT VIHAR, NEW DELHI - 110057

APPROVAL FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

"RESOLVED THAT in supersession of resolution passed by the Board of Directors in their meeting held on October 17, 2022 and pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions of the Companies Act, 2013 ('the Act') read with rules thereunder (including any modifications or re-enactments thereof, for the time being in force), the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, Master Direction - Non- Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021, as amended, and in pursuance of provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the Stock Exchange(s), where the Non-Convertible Debentures (hereinafter referred to as "NCDs") issued by the Company were listed/proposed to be listed, the approval and/or consent of any statutory and/or regulatory authorities, if any, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'Board', which term shall be deemed to include Committee of Directors), approval of the Board of Directors be and is hereby accorded to make offer(s) or invitation(s) to the eligible person(s) to subscribe to the NCDs of the Company on Private Placement basis, for an amount not exceeding Rs. 2,500 Crore (Rupees Twenty Five Hundred Crore only), subject to the total borrowing limits of the Company as per Section 180(1)(c) of the Act and authorize 'Committee of Directors' of the Board to do all the following acts, deeds and things in relation to the issue of NCDs as it may deem fit and appropriate in the interest of the Company, from time to time:

1. to decide/confirm/ratify the terms and conditions and number of the Debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, if any, etc. and to issue and allot the NCDs and to approve/confirm/ratify all other matters and terms & conditions relating to the issue and to do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose, and to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem necessary & expedient, in consultation with the arrangers to the issue;
2. to accept and receive subscription/application money, to appropriate the proceeds of the issue for the aforesaid purpose and to make allotment of the NCDs and to authorize maintenance of Register of Debenture Holders, Register of Charges or any other Statutory Register as may be required, in physical/ electronic mode;
3. to finalize details of securities to be provided and matters incidental or connected therewith and incur any expenditure in relation to the creation of such security;
4. to open relevant bank account(s), if required and authorize officials of the Company to operate the same where ever necessary;

Hero Housing Finance Ltd.

Registered Address: 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Toll Free No.: 1800 212 8800, **Email:** customer.care@herohfl.com

Website: www.herohousingfinance.com | **CIN:** U65192DL2016PLC301481





RESOLVED FURTHER THAT M/s Vistra ITCL (India) Limited or any other body corporate or entity as may be required, be appointed as Debenture Trustee (Trustee) for the NCD issues/holders by Board and/or Committee of Directors' of the Board subject to their confirmation to act as Trustee to the NCD issues, from time to time, and be paid the annual trustee fee as may be mutually agreed with the Company.

RESOLVED FURTHER THAT M/s KFin Technologies Limited, Registrar & Transfer Agent ("RTA") or any other body corporate or entity, be appointed as RTA by Board and/or Committee of Directors' of the Board for the NCD issues, from time to time, subject to their confirmation to act as RTA to the Issue, and to pay the fees as agreed.

RESOLVED FURTHER THAT other agencies may be appointed as mutually agreed as arrangers for the NCD issues, from time to time, and be paid fees/ reimbursement, if any, as agreed.

RESOLVED FURTHER THAT the appropriate credit rating from the credit rating agencies authorized by RBI assigned to the aforesaid NCD issue be and is hereby obtained or noted.

RESOLVED FURTHER THAT any two of the following persons for the time being of the Company:-

S. No	Name	Designation
1.	Mr. Apul Nayyar	Director (Whole Time Director – Executive) & CEO
2.	Mr. Dhoop Mittal	Chief Financial Officer
3.	Mr. Prashant Kumar	Head – FP & A
4.	Mr. Shivendra Suman	Chief Compliance Officer
5.	Mr. Rakesh Bansal	Chief Risk Officer
6.	Mr. Gautam Munjal	Head – Operations
7.	Mr. Paramjit Nayyar	Chief Human Resources Officer
8.	Mr. Sajin Mangalathu	Authorized Signatory
9.	Mr. Shyam Lal	Authorized Signatory
10.	Ms. Priya Kashyap	Authorized Signatory
11.	Mr. Mayank Manchanda	Authorized Signatory
12.	Mr. Sudhanshu Dang	Authorized Signatory
13.	Mr. Vijay Chaturvedi	Authorized Signatory

be and are hereby jointly authorized to do the following acts deeds and things in relation to issue of NCDs:

- undertake regulatory/procedural requirements for listing of the debentures on the National Stock Exchange of India Limited and/or BSE Limited, in principle approval from Stock Exchange(s) and also to sign the necessary agreements and documents in this regard; and to admit/dematerialize the Debentures with National Securities Depository Limited and Central Depository Services (India) Limited, as the case may be and to pay all necessary fees and/or expenditure in connection thereto and also to sign all necessary agreements/documents for the said purpose in order to give effect to this resolution;
- to make payment, prepare, sign, file, submit the necessary application to/with the NSDL along with all other document(s) and deed(s) as may be required, for the stamping of NCDs, proposed to be issued by the Company from time to time and to do all such other acts, deeds and things as may be deemed fit in this regard.

Hero Housing Finance Ltd.

Registered Address: 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Toll Free No.: 1800 212 8800, **Email:** customer.care@herohfl.com

Website: www.herohousingfinance.com | **CIN:** U65192DL2016PLC301481





3. to prepare, sign and execute various agreements and documents in relation to the issue including but not limited to placement/information memorandum, term sheet, deed of hypothecation, debenture trust deed, debenture trustee agreement, Initial debenture trustee agreement, listing agreement, undertakings, deeds, declarations, affidavits, certificates, documents, etc. and all other documents and to do all such acts, deeds and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid Issue including the post Issue compliances and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of such Debentures as may be deemed fit;
4. to create charge(s) and execute such other document(s) as may be required in connection with security creation for the Issue;
5. to execute and deliver any agreement(s), enter into any arrangement(s) as well as amendments or supplements thereto in connection with the Issue, including, without limitation, engagement letter(s), Memorandum of Understanding (MOU), the Registrar's Agreement/ appointment letter, depositories' agreements, escrow agreement, MOU with the arranger/ lead managers including the bankers to the Issue/ Company, Registrar to the Issue, auditors/ Chartered Accountants, legal counsel, debenture trustee, and all such persons or agencies as may be involved in or concerned with the Issue, if any;
6. in pursuance to applicable provisions of the Companies Act, to affix Common Seal of the Company to any documents, agreements etc., as may be necessary in the presence of any two of the aforesaid officials of the Company.
7. to execute and deliver all other documents or instruments and to do or cause to be done any and all other acts or things in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of that fact.
8. to appoint/ reappoint such intermediaries as may be required for the purposes of the Issue;
9. to arrange for necessary rating from an authorized rating agency.
10. to seek approvals, consents, waiver from any person/ authority as the case may be;

RESOLVED FURTHER THAT the Committee of Directors be and is hereby authorised to revise the List of Authorised Officials for carrying out various activities for the purpose of issue and allotment of Non- Convertible Debentures in order to ensure the smooth functioning of business of the Company from time to time.

RESOLVED FURTHER THAT any Director of the Company or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorised to sign any declaration/undertaking with regard to the placement/information memorandum or to file the requisite e-forms /returns relating to the charges created in favour of the Debenture Trustee for the benefit of the Secured Lenders with the Registrar of Companies within the time prescribed by law thereof.

Hero Housing Finance Ltd.

Registered Address: 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Toll Free No.: 1800 212 8800, **Email:** customer.care@herohfl.com

Website: www.herohousingfinance.com | **CIN:** U65192DL2016PLC301481





RESOLVED FURTHER THAT any Director or Chief Financial Officer or Chief Compliance Officer or Company Secretary of the Company be and are hereby severally authorized to act as the compliance officer(s) in relation to the Issue, from time to time and further authorized to give certified true copies of the foregoing Resolution wherever required."

**Certified True Copy
For and on behalf of Hero Housing Finance Limited**


Shivendra Suman
Chief Compliance Officer



Hero Housing Finance Ltd.

Registered Address: 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Toll Free No.: 1800 212 8800, **Email:** customer.care@herohfl.com

Website: www.herohousingfinance.com | **CIN:** U65192DL2016PLC301481

ANNEXURE 2 – COPY OF SHAREHOLDERS RESOLUTION



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE 5TH ANNUAL GENERAL MEETING OF THE MEMBERS OF HERO HOUSING FINANCE LIMITED ("THE COMPANY") HELD ON TUESDAY, SEPTEMBER 07, 2021 AT ITS REGISTERED OFFICE AT 9, COMMUNITY CENTRE, BASANT LOK, VASANT VIHAR, NEW DELHI-110057

APPROVAL FOR ENHANCEMENT IN THE LIMIT OF BORROWINGS OF THE COMPANY

"RESOLVED THAT in supersession of the earlier resolution passed by the members at their meeting held on February 06, 2018 and in pursuance of the provisions of Section 180(1)(c) of the Companies Act, 2013 read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and all other applicable provisions, if any, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Committee of Directors) to borrow from time to time such sum or sums of monies as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves & securities premium, that is to say, reserves not set apart for any specific purpose; provided that the total amount upto which monies may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 4,500 Crore (Rupees Four Thousand and Five Hundred Crore only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient as they may in their absolute discretion may deem necessary or desirable and their decision shall be final and binding."

Certified True Copy

For Hero Housing Finance Limited


Vikas Gupta
Company Secretary
M.No.: A24281
Add: 09, Community Centre, Basant Lok
Vasant Vihar, New Delhi-110057



Hero Housing Finance Ltd.

Registered Office: 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi - 110057

Phone: 011 49267000, **Toll Free Number:** 1800 212 8800, **Email:** customer.care@herohfl.com

Website: www.herohousingfinance.com | CIN: U65192DL2016PLC301481

ANNEXURE 3 – RATING LETTERS



ICRA Limited

Ref No: ICRA/Hero Housing Finance Limited/06022023/3

Date: February 06, 2023

Mr. Dhoop Mittal
Chief Financial Officer
Hero Housing Finance Limited
09, Basant Lok
Vasant Vihar
New Delhi – 110 057

Dear Sir,

Re: ICRA rating for Rs. 200 crore (Outstanding: Rs. 100 crore; yet to be placed: Rs. 100 crore) Non-Convertible Debenture (NCD) Programme of Hero Housing Finance Limited (instrument details in Annexure)

Please refer to your request for revalidating the rating letter issued for the captioned programme.

We confirm that the **[ICRA]AA+ (pronounced ICRA double A plus)** rating with a “**Stable**” outlook assigned to your captioned programme and last communicated to you vide our letter dated January 05, 2023, stands. Instruments with [ICRA] AA rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For this rating category, the modifiers + (plus) or – (minus) may be appended to the rating symbols to indicate their relative position within the rating categories concerned.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as “**[ICRA]AA+ (Stable)**”.

The other terms and conditions for the rating of the aforementioned instrument shall remain the same as communicated vide our letter dated September 12, 2022 (**Ref No:** ICRA/Hero Housing Finance Limited/12092022/3).

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the instruments issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

For ICRA Limited

KARTHIK
SRINIVASAN
Karthik Srinivasan
Digitally signed by
KARTHIK SRINIVASAN
Date: 2023.02.06 12:47:43
+05'30'

Senior Vice President
Group Head - Financial Sector Ratings
karthiks@icraindia.com

Encl:- Annexure I: Instrument Details

Building No. 8, 2nd Floor, Tower A
DLF Cyber City, Phase II
Gurugram – 122002, Haryana

Tel.: +91.124.4545300
CIN : L749999DL1991PLC042749

Website: www.icra.in
Email: info@icraindia.com
Helpdesk: +91 9354738909

Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001. Tel. :+91.11.23357940-41

RATING • RESEARCH • INFORMATION



ANNEXURE I: Instrument Details

ISIN	Instrument Name	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE800X07022	NCD	Jun-25-2020	7.75%	Jun-23-2023	100.0	[ICRA]AA+ (Stable)
NA	NCD*	NA	NA	NA	100.0	[ICRA]AA+ (Stable)

* yet to be placed

Ratings



CONFIDENTIAL

RL/HEHOFL/302305/NCD/1022/44591/78805390/3
February 06, 2023

Mr. Dhoop Mittal
Chief Financial Officer
Hero Housing Finance Limited
7, Basant Lok,
Vasant Vihar,
South West Delhi - 110057
9819021233



Dear Mr. Dhoop Mittal,

Re: CRISIL Rating on the Non Convertible Debentures Aggregating Rs.378 Crore of Hero Housing Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated December 12, 2022 bearing Ref. no: RL/HEHOFL/302305/NCD/1022/44591/78805390/2

Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non Convertible Debentures	378	CRISIL AA+/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. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

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
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 visit www.crisilratings.com or 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, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

Ratings



CONFIDENTIAL

RL/HEHOFL/302305/NCD/1022/44589/122772485/3
February 06, 2023

Mr. Dhoop Mittal
Chief Financial Officer
Hero Housing Finance Limited
7, Basant Lok,
Vasant Vihar,
South West Delhi - 110057
9819021233



Dear Mr. Dhoop Mittal,

Re: CRISIL Rating on the Rs.200 Crore Non Convertible Debentures of Hero Housing Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated December 12, 2022 bearing Ref. no: RL/HEHOFL/302305/NCD/1022/44589/122772485/2

Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non Convertible Debentures	200	CRISIL AA+/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. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

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
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 visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingsdesk@crisil.com or at 1800-267-1301.

CRISIL Ratings Limited
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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

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ANNEXURE 4 – RTA CONSENT LETTER



<https://www.kfintech.com>
+91 40 6716 2222, 7961 1000

KFT/HERO HOUSING /Consent/202
Monday, February 6, 2023

HERO HOUSING FINANCE LIMITED
9, Community Centre,
BasantLok, Vasant Vihar,
New Delhi – 110 057

Sub: Consent to act as RTA for Listed Secured, Redeemable Non-Convertible Debenture of face value of Rs. 1,00,000/- (Rs. 1 Lakh only) each, amounting to ₹15 Crore with an option to retain additional subscription upto ₹75 Crore, aggregating upto ₹90 Crore (Series HHFL/NCD/008).).

Dear Sir/Madam,

This has reference to your email dated, Monday, February 6, 2023 with regard to the captioned subject. We hereby accord our consent to act as Registrar to the aforesaid issue and have our name included as Registrar and Transfer Agents in the information Memorandum, which your Company/Bank proposes to issue.

We also authorize you to forward this consent letter to SEBI and the Stock Exchange where the Company proposes to list its NCDs along with the Information Memorandum.

Thanking you,

Yours faithfully,

For KFin Technologies Private Limited

Shaibal Haripada Roy
Assistant Vice President
Corporate Registry

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)

Registered & Corporate Office:
Selenium Building, Tower-B, Plot No- 31 & 32, Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddi, Telangana, India, 500032.

CIN: L72400TG2017PLC117649

ANNEXURE 5 – DEBENTURE TRUSTEE CONSENT LETTER



Ref No: DT/22-23/83

07th February 2023

Hero Housing Finance Limited (Company)

09, Community Centre, Basant Lok,
Vasant Vihar, New Delhi - 110057,

Sub: Consent to act as Debenture Trustee for issue Secured Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rs. 1 Lakh only) each, amounting to ₹15 Crore (Rupee Fifteen crore only) with an option to retain additional subscription upto ₹75 Crore (Rupee Seventy Five Crore only), aggregating to ₹90 Crore (Rupee Ninety crore only) (Series No. HHFL/NCD/008).

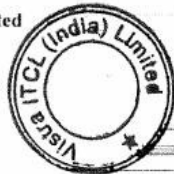
Dear Sir,

This is with reference to our discussion regarding appointment of Vistra ITCL (India) Limited as Debenture Trustee for the issue Secured Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rs. 1 Lakh only) each, amounting to ₹15 Crore (Rupee Fifteen crore only) with an option to retain additional subscription upto ₹75 Crore (Rupee Seventy Five Crore only), aggregating to ₹90 Crore (Rupee Ninety crore only) (Series No. HHFL/NCD/008) in dematerialised form on private placement basis proposed to be issued by the Company. In this regard, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions

1. The Company agrees and undertakes to create charge on the security in our favour as defined under the Debenture Trustee Appointment Agreement dated February 07th 2023 for the above referred issue. The said security shall be created on such terms and conditions as disclosed in the Debenture Trustee Appointment Agreement and execute necessary documents as agreed upon by the Company under the Debenture Trustee Appointment Agreement.
2. The Company agrees & undertakes to pay Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated in appointment letter for the services as Debenture Trustee in addition to all legal, travelling 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 shall comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 and other applicable provisions as amended from time to time and agrees to furnish to Trustee such information in terms of the same on regular basis.

Sincerely,
For Vistra ITCL (India) Limited

Authorized Signatory
Sandesh Vaidya
AVP - Trust Operations



Registered office:
The IL&FS Financial Centre,
Plot No. C- 22, G Block, 5th Floor
Bandra Kurla Complex, Bandra (East),
Mumbai 400051, India

22nd Floor, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400051
T: +91 22 2600 0028
F: +91 22 2600 0029
E: mumbai@vistra.com
www.vistraitcl.com

Tel: +91 22 2600 0028
Fax: +91 22 2600 0029
Email: mumbai@vistra.com
www.vistraitcl.com

Vistra ITCL (India) Limited
Corporate Identity Number (CIN) U56010PA113995PC095502

**ANNEXURE 6 – Audited Financials for the Year ended March 31, 2022 and Limited Review Report
for the standalone financial information on quarterly basis i.e. 31.12.2022**

Link: <https://www.herohousingfinance.com/financial-performance>

For Private Circulation Only

**ANNEXURE 7 – Application Form
DEBENTURE APPLICATION FORM
Hero Housing Finance Ltd.**

Registered Office: 9, Community Centre, Basant Lok, Vasant Vihar, Delhi – 110 057
Corporate office: 7, Community Centre, Basant Lok, Vasant Vihar, Delhi – 110 057

APPLICATION FORM FOR PRIVATE PLACEMENT OF SECURED RATED LISTED REDEEMABLE NON- CONVERTIBLE DEBENTURE (NCD) – [ISSUE SERIES NO. HHFL/NCD/08] AGGREGATING TO ₹15 CRORE WITH AN OPTION TO RETAIN UPTO ADDITIONAL ₹75 CRORE, AGGREGATING ₹90 CRORE

Date: __/__/2023

Application No. HHFL/NCD/08/____

Dear Sirs,

Having read and understood the contents of the Disclosure Document of Private Placement dated February 10, 2023, we apply for allotment to me/us of the NCDs. The amount payable on application as shown below is remitted herewith.

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

No. of NCDs applied for :	No. in figures	No. in words
Amount (₹) in figures :		
Amount (₹) in words :		
Cheque / Demand draft No.	Date	Cheque / Demand Draft Drawn on

* For electronic transfer of funds the Bank Details of Hero Housing Finance Ltd. are indicated in the Instructions to Investors

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

		Pin Code :
Tel :	Fax :	Email :

STATUS ☐ INDIVIDUALS ☐ COMPANIES & BODIES CORPORATE ☐ MUTUAL FUNDS ☐ FINANCIAL INSTITUTIONS ☐ INSURANCE COMPANIES ☐ PROVIDENT FUNDS ☐ BANKS ☐ PENSION FUNDS/GRATUITY FUNDS/SUPPERANNUATION FUNDS ☐ OTHERS PLEASE SPECIFY _____

Details of the Bank account through which investment is being done

Bank Name and Branch			
Account No:		Account Type	
IFSC Code			

DEPOSITORY DETAILS

I/We, the undersigned, want delivery of the Debentures in Electronic Form. Details of my/our Beneficiary (Electronic) account are given below:

Depository Name			
DP ID No.		Client ID	

	Name of the Authorised Signatory	Designation	Signature
1			
2			
3			

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

TAX DETAILS

For Private Circulation Only

Taxpayer's PAN or GIR No.	IT Circle / Ward / District	<input type="checkbox"/> Not allotted		
Tax Deduction status :	<input type="checkbox"/> Fully Exempt	<input type="checkbox"/> Tax to be deducted at source	<input type="checkbox"/> Yes	<input type="checkbox"/> No

------(Tear here)-----

HERO HOUSING FINANCE LTD.

ACKNOWLEDGEMENT SLIP Application Form Serial No. _____

Received from :	
₹ _____	Vide RTGS No. _____ towards Application for _____ Debentures

DECLARATION

Tick whichever is applicable:-

- (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non- debt Instruments) Rules, 2019 prior to subscription of securities ☐
- (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non- debt Instruments) Rules, 2019 prior to subscription of securities and the same has been obtained, and is enclosed herewith ☐

INSTRUCTIONS

1. Application forms must be completed in full in BLOCK LETTERS IN ENGLISH.
2. Signatures should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorised official of a Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application forms duly completed in all respects must be submitted at the Corporate Office of the Company before the PAYIN date of the issue.
4. Payment must be made by electronic mode i.e. RTGS / NEFT in favour of "National Securities Clearing Corporation Ltd" in line with NSE operational / SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 and subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018, clear funds should be reflected on or before 10:30 AM on PAY-IN-Date.
5. **Application made by categories of investors other than individuals must be accompanied by certified copies of Memorandum and Articles of Association, Board Resolution / Power of Attorney for investment, authority to authorized signatories and other related documents in case of limited companies or corporate bodies.**
6. Receipt of applications will be acknowledged by Hero Housing Finance Ltd. in the "Acknowledgment Slip", attached with the application form. No separate receipt will be issued.
7. All applicants should mention their Permanent Account Number or the GIR number allotted under Income Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case where neither the PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the application form. Income tax as applicable will be deducted at source at the time of payment of interest.
8. Copy of PAN card and if TDS is exempt a copy of tax exemption certificate to be attached.
9. The application would be accepted as per the terms of the Scheme outlined in the Memorandum of Private Placement.
10. **Please send the application along with KYC at following address For all further correspondence please contact:**

For Private Circulation Only

Shivendra Suman
Chief Compliance Officer
9, Community Centre,
Basant Lok, Vasant Vihar,
Delhi – 110 057
Phone – 011-4604 4338
(Fax) - 011-4948 7197
E-mail:shivendra.suman@herofincorp.com

KYC For NCD Applicants	
MOA/ TRUST DEED	
Board Resolution	
Specimen Signature	
POA	
PAN	
SEBI Registration Certificate For MF	
IRDA Certificate For Insurance Co	

ANNEXURE 8 – Due Diligence Certificate



To,

National Stock Exchange of India Ltd.

The listing compliance department,
Exchange Plaza, Plot no. C/1, G Block,
Bandra Kurla Complex
Bandra (E) Mumbai - 400 051

Dear Sir / Madam,

Sub.: Issue of Secured Listed Redeemable Non-Convertible Debenture (“Debentures”) of the face value of ₹1,00,000/- each at par, for cash aggregating ₹15 Crore (the “Issue”) with a green shoe option to retain additional subscription up to ₹75 Crore, aggregating ₹90 Crore on a private placement basis, to be listed on the wholesale debt market of the National Stock Exchange of India Limited (“NSE”) by Hero Housing Finance Ltd. (“Company” or “Issuer”)

We, Vistra ITCL (India) Limited (herein after referred to as “**Debenture Trustee**”), the debenture trustee to the above-mentioned forthcoming issue, state as follows as on date:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications as provided to us.
- 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 as provided to us, **WE CONFIRM** that as on date:
 - a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
 - b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
 - c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities to the best of our knowledge basis the information provided to us.
 - 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 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 has given an undertaking that debenture trust deed would be executed before filing of listing application.

Registered office:

The IL&FS Financial Centre,
Plot No. C- 22, G Block, 6th Floor
Bandra Kurla Complex, Bandra (East),
Mumbai 400051, India

Corporate office :

The Qube, 6th floor, 602
A wing Hasan pada road ,
Mittal industrial estate Marol ,
Andheri (East) Mumbai 400059

Tel : +91 22 2850 0028

Fax : +9122 2850 0029

Email: mumbai@vistra.com

www.vistraitcl.com

Vistra ITCL (India) Limited

Corporate Identity Number (CIN):U66020MH1995PLC095507



- f) 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.
- 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 as on date, basis the information/documents shared with us as on date.

For Vistra ITCL (India) Limited



Jatin Chonani
Compliance Officer

Place: Mumbai

Date: February 09, 2023

Registered office:
The IL&FS Financial Centre,
Plot No. C- 22, G Block, 6th Floor
Bandra Kurla Complex, Bandra (East),
Mumbai 400051, India

Corporate office :
The Qube, 6th floor, 602
A wing Hasan pada road ,
Mittal industrial estate Marol ,
Andheri (East) Mumbai 400059

Tel : +91 22 2850 0028
Fax : +9122 2850 0029
Email: mumbai@vistra.com
www.vistraitcl.com

Vistra ITCL (India) Limited
Corporate Identity Number (CIN):U66020MH1995PLC095507

ANNEXURE 9 - IN PRINCIPLE APPROVAL LETTER



National Stock Exchange Of India Limited

Ref. No.: NSE/LIST/5932

February 09, 2023

The Company Secretary
Hero Housing Finance Limited
09, Community Centre, Basant Lok,
Vasant Vihar, Delhi-110057

Kind Attn.: Ms. Suruchi Jassi

Dear Madam,

Sub.: In-principle approval for listing of Non-Convertible Debentures on private placement basis.

This is with reference to your application dated February 09, 2023 requesting for in-principle approval for the proposed listing of secured, rated, redeemable, non-cumulative, taxable, non-convertible debentures of face value of Rs. 100000/- each (under Series 008), for base issue size of Rs. 1500 lakhs with a green shoe option of Rs. 7500 lakhs, aggregating to total issue size of Rs. 9000 lakhs, to be issued by Hero Housing Finance Limited on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company includes the following Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/5932 dated February 09, 2023 or hosting the same on the website of NSE in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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”

This Document is Digitally Signed

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769

NSE

Signed: PRakash Devadas Kelkar
Date: Thu, Feb 9, 2023 20:37:20 IST
Location: NSE



Ref. No.: NSE/LIST/5932

February 09, 2023

Please note that the approval given by the exchange should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Specific attention is drawn towards Para 1 of Chapter XV of SEBI Operational Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Accordingly, Issuers of privately placed debt securities in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of allotment of securities. The details can be uploaded using the following links:

<https://www.nse-ebp.com>
<https://www.nseebp.com/ebp/rest/reportingentity?new=true>

Kindly ensure compliance with SEBI Circular No. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167 dated November 30, 2022 with respect to the timelines for listing of securities issued on a private placement basis.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/Rule/Bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

Yours faithfully,
For National Stock Exchange of India Limited

Prakash Kelkar
Manager

This Document is Digitally Signed

  Signer: PRAKASH DEVIDAS KELKAR
Date: Thu, Feb 9, 2023 20:37:20 IST
Location: NSE