

RARC 064 (HDFC RETAIL) TRUST**Ref No: FY24/RP/CREDIT-NAV Letter/064/2057****Date :October 09, 2025**

**Mr. Amit Solanki
AVP
HDFC Bank Ltd
16th Floor, Tower A,
Peninsula Business Park,
Lower Parel, Mumbai - 400013**

**Chief Financial Officer,
Reliance Asset Reconstruction Company Ltd,
11th Floor, North Wing, R-Tech Park,
Western Express Highway
Goregaon (East) Mumbai – 400063**

Dear Sir / Madam,

RARC 064 (HDFC RETAIL) TRUST-Rating and NAV

We are pleased to advise the initial Rating and the NAV of the captioned Trust, as at June30,2025 as per RBI guidelines in this regard.

Rating:

The Security Receipts (SRs) issued by the trust have been **assigned** at "**IND RR1**" by **India Ratings and Research Private Limited**. The rating signifies that the present value, of the expected realisations from assets held in the Trust, will be 100%-150% of the outstanding Security Receipts (SRs). We attach herewith a copy of the rating letter dated August 21, 2025.

Net Asset Value (NAV):

Based on the above parameters, the Trustees have determined that the realizations per SR, ranges from Rs. 1350 to 1650 and have accordingly fixed the NAV as Rs. 1500 per SR. (FV Rs. 1000).

Trust Valuation:

The NAV of the SRs held by the Trust as at June30,2025 was Rs.3365.17 lakhs.

The details of the AUM / units held the Trust is as under:

ISIN	No. Of SR units O/s	FV per SR unit (Rs.)	NAV per SR unit (Rs.)	SRs Outstanding as on June 30,2024 (Rs. in Lakhs)		
				RARC (15%)	HDFC Bank(85%)	Total
INE0GBO18010	336517.00	1000	1500.00	504.78	2860.39	3365.17

Thanking You

Yours faithfully

For Reliance Asset Reconstruction Company Limited
(acting in its capacity as trustees of RARC 064 (HDFC RETAIL) TRUST)



Rakesh Panjwani
CFO

Mr. Mehul Gandhi – Executive Director and Chief Executive Officer
Reliance Asset Reconstruction Company Limited, Reliance Group
11th Floor, North Wing, R-Tech Park,
Western Express Highway,
Goregaon (E)
Mumbai - 400 063

August 21, 2025

Dear Sir,

Re: RARC 064 (HDFC) Trust

India Ratings & Research Private Limited (India Ratings) has affirmed a rating on a recovery rating scale to Security Receipts (“SRs”) of INR 336.52 mn, issued by RARC 064 (HDFC) Trust at ‘IND RRI’.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any

investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient. India Ratings does not consent to the inclusion of this letter communicating our rating action in any offering document. India Ratings does not consent to the inclusion of this letter communicating our rating action in any offering document

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

A record has been made of this rating in our permanent files, but it is our current intention that the rating will not be released publicly, as the issue has been placed privately with institutional investors. This rating will be disclosed by India Ratings at the request of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) or any other regulatory agency of the Government or any other extant guidelines. India Ratings notes that you are responsible for communicating the contents of this letter and any changes with respect to the ratings, to investors.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Jatin Nanaware
Senior Director

Annexure: Facilities Breakup

Annexure: Recovery Rating of Security Receipts issued by RARC 064 (HDFC) Trust

Background

RARC 064 (HDFC) Trust has acquired 11,134 retails, Non-performing loans (NPLs) having principal outstanding of Rs. 3,884.60 mn from HDFC Bank. The Trust has issued Security Receipts (SRs) with a face value of INR 2,097.69 mn to fund the purchase of the NPLs. As of 30 June 2025, the trust has SRs outstanding with face value of INR 336.52 mn.

Information provided to Ind-Ra

The details include key transaction documents, loan level data of borrower, security information, status of legal, historical recovery track of servicer/issuer, static pool, pool characteristics e.g. delinquency bucket, borrower profile, instalment-to-income ratio (IIR), loan tenure and interest rate, periodic updates on recovery & SR outstanding.

Characteristic of pool at the time of acquisition

The underlying retail loan has been given to 11,134 small borrowers under vehicles.

(in mn)

Type of loans	Asset Type	POS	POS distribution
Auto Suite	Car	1,427.70	36.75%
CTG Suite	CE	101.30	2.61%
CTG Suite	CV	441.40	11.36%
CTG Suite	Three-Wheeler	22.60	0.58%
Unsecu Suite	BUSINESS LOAN	451.10	11.61%
Unsecu Suite	PERSONAL LOAN	1,440.60	37.08%
	Grand Total	3,884.60	100.00%

Trust level recovery:

(in mn)

Actual recovery	Amount
Initial	

February 2021	362.6
June 2021	666.4
December 2021	1,163.7
June 2022	1,615.4
December 2022	1,906.7
June 2023	1,975.9
December 2023	2,101.6
June 2024	2,164.4
December 2024	2,215.5
June 2025	2,244.46

Resolution Strategy

- Ind-Ra analysed the pool of assets using a statistical approach based on the static pool vintage recovery and the recovery experience of the servicer.
- The expected recoveries for the product are derived by studying the historical recovery data of the issuer/servicer.
- Recovery analysis would consist of streams of cash flows estimates, based on repayment and repossession of assets.
- The static pool should be segmented by the key pool characteristics of the asset class, e.g. delinquency bucket, borrower profile, instalment-to-income ratio (IIR), loan tenure and interest rate.
- Ind-Ra in subsequent reviews monitor the cashflows to ensure that, there is no deviation in initial recovery assumption.

Methodology:

India Rating's SR Rating methodology is based on evaluating the recovery prospects of the assets in the trust and the associated expected timeliness for recovery. The retail assets could either be secured assets, such as home loans, loan against property, equipment loans, auto and commercial vehicle loans, or unsecured loans, e.g. personal loans or credit card receivables or MFI. The expected recoveries for the product are derived by studying the vintage recovery static pool and the recovery experience of the servicer.

India rating's analyses the terminal value of long-term of the assets based on past performance. Post considering the waterfall, against expected net recoveries are discounted at various yields to arrive at the present value of the expected recoveries. This amount is then expressed as a percentage of the Face Value of outstanding SR to arrive at the potential recovery rating %.

Recovery Rating Analysis assumption details:

The following assumptions regarding the transaction have been used:

1. Trusteeship fees: 4.00% of SR outstanding per annum for first year, 3.75% p.a. of SR outstanding for 2 year and 3.00% p.a. of SR outstanding on 3 year onwards. The trust fee is accrued and recovery annually, beginning of the year.
2. Collection Agent Fees: 8.00% p.a. on gross collection.
3. Discount yield for collections: 9.00%-12.00%.
4. Recovery Amount: India Rating estimates a recovery of INR 450.00 mn to INR 470.00 mn. Ind-Ra has estimated the recovery based on legal progress, balance payment under settlement, sale of assets.

5. Resolution Timeline: The timing of recoveries is impacted by generic and specific factors. India Ratings has estimated the time to recovery for the asset in the trust based on the status of the legal proceedings and settlement with borrower. The recovery is expected within 2 to 3 years.

Recovery Rating Scale:

The ratings indicate that the present values of the expected recoveries expressed as a percentage of the Face Value of outstanding SRs are in the ranges presented below.

Recovery Rating Scale	Implied Recovery
IND RR1+	More than 150.00%
IND RR1	More than 100.00% and upto 150.00%
IND RR2	More than 75.00% and upto 100.00%
IND RR3	More than 50.00% and upto 75.00%
IND RR4	More than 25.00% and upto 50.00%
IND RR5	Upto 25.00%

Rating Review: Ind-Ra will monitor the transaction regularly and as warranted by events to ensure that the ratings remain, in the agency's view, an appropriate reflection of the recovery potential of the issued SRs.

