

## SECTION XI. TERM SHEET

### Secured Redeemable Non-Convertible Bonds in the nature of promissory Notes (Series LIV)

Issuer	PNB Housing Finance Ltd. ("PNBHFL"/ the "Company"/the "Issuer")
Instrument/ Security Name	Secured Redeemable Non-Convertible Bonds in the nature of promissory Notes ("Bonds")
Issue size	Rs. 225 Crores ("the Issue")
Trading Mode of the instrument	Demat only
Seniority	Senior
Mode of Issue	Private placement
Instrument Form	In Demat mode
Face Value	Rs.10,00,000/- Per Bond
Issue Price	At Par (Rs.10,00,000/- Per Bond)
Redemption Price	At Par (Rs.10,00,000/- Per Bond)
Credit Rating	"IND AA" by India Ratings and Research Private Limited
Security	First charge on the specific book debts of the Company with minimum asset coverage of 1.10 times and such other security as may be deemed suitable by the Company in consultation with the Trustee
Tenor	18 months
Put & Call Option Price	None
Redemption	At par at the end of 18 months from the date of Allotment
Redemption Date	18 <sup>th</sup> May, 2022
Proposed Coupon rate	7.25% p.a.
Interest payment	Annually
Interest payment date	First interest payment on 18 <sup>th</sup> November 2021 and then on maturity of Bonds (i.e. on 18 <sup>th</sup> May, 2022)
Step Up/ Step Down Coupon Rate	None
Coupon Type	Fixed
Coupon Reset	None
Listing	On the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. ("NSE")
Objects of the issue	The proceeds of the issue shall be utilized towards repayment/prepayment of existing long term and short term debts of the Company. Issuer undertakes not to use proceeds for investments in any capital market, real estate, on lending, speculative and other such activities not permitted by RBI.
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money against which Allotment is made	As per SEBI guidelines
Listing	Proposed on the Wholesale Debt Market (WDM) segment of National Stock of India Limited ("NSE") As per SEBI Circular CIR/IMD/FIIC/18/2010 dated November 26, 2010, and RBI Circular No. 89 dated March 1, 2012 SEBI Registered FIIS/sub accounts of FII can Invest in primary issues of Non-Convertible Debentures (NCDs)/ bonds only if listing of such bonds / NCDs is committed to be done within 15 days of such investment. In case the Issue is not listed within 15 days from the deemed date of Allotment issuer would Immediately redeem/buyback the said securities from the FIIS/ sub-accounts of FIIs.
Trustees	IDBI Trusteeship Services Limited
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Registrars	Link Intime India Pvt Ltd
Settlement	Payment of interest and repayment of principal shall be made by way credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks
Business Day/ Working Day	'Business Day' shall be a day on which commercial banks are open for business in Mumbai and the days when the money market is functioning in Mumbai. If the date of payment of interest does not fall on a Business Day, then the payment shall be made on the following business day in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.
Effect of holidays	If any Coupon Payment Date, except the last coupon payment date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day as per SEBI Circular 11th November 2016 (CIR/IMD/DF- 1/122/2016) If the Redemption Date, also being the last Coupon Payment Date, of the Bonds falls on a

	day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with the interest accrued on the Bonds until such date of redemption as per SEBI Circular 11th November 2016 (CIR/IMD/DF-1/122/2016)
Record Date	15 days prior to each Coupon Payment Date and Redemption Date.  In the event the Record Date falls on a day, which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
Investors who are eligible to apply	<ol style="list-style-type: none"> <li>a) Scheduled Commercial Banks;</li> <li>b) Insurance Companies registered with the Insurance Regulatory and Development Authority;</li> <li>c) Mutual Funds;</li> <li>d) Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;</li> <li>e) Foreign Institutional Investors and sub-accounts registered with SEBI (subject to compliance with the SEBI/ RBI norms);</li> <li>f) Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds;</li> <li>g) Co-operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures;</li> <li>h) Companies and Bodies Corporate authorized to invest in bonds/ debentures;</li> <li>i) Societies authorized to invest in bonds/ debentures;</li> <li>j) Trusts authorized to invest in bonds/ debentures;</li> <li>k) Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;</li> <li>l) Qualified Foreign Investors/FII/ Qualified Portfolio Investors</li> </ol>
Investors who are not eligible to apply	<ol style="list-style-type: none"> <li>a) Sovereign Wealth Funds;</li> <li>b) Venture Capital Funds and Foreign Venture Capital Investors;</li> <li>c) Overseas Corporate Bodies;</li> <li>d) Multilateral and Bilateral Development Financial Institutions;</li> <li>e) Foreign Nationals;</li> <li>f) Non-Resident Indians;</li> <li>g) Persons resident outside India;</li> <li>h) Minors without a guardian name;</li> <li>i) Person ineligible to contract under applicable statutory/ regulatory requirements.</li> </ol>
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing IDBI Trusteeship Services Ltd. as Trustees to the Bondholders;</li> <li>2. Debenture Trusteeship Agreement;</li> <li>3. Debenture Trust Deed and/or Deed of Hypothecation and/or other security document(s);</li> <li>4. Rating Letter with India Ratings and Research Private Limited;</li> <li>5. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>6. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>7. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>8. Application made to NSE for seeking its in-principle approval for listing of Bonds;</li> <li>9. Listing Agreement with NSE;</li> <li>10. Letters appointing Arrangers to the Issue.</li> </ol>
Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. Rating letters from India Ratings not being more than one month old from the issue opening date;</li> <li>2. Written consent letter from IDBI Trusteeship Services Ltd. conveying their consent to act as Trustees for the Bondholders;</li> <li>3. Making an application to NSE for seeking its in-principle approval for listing of Bonds.</li> <li>4. Execution of Debenture Trustee Agreement</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> <li>1. Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies, National Capital Territory of Delhi &amp; Haryana with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India, within a period of thirty days of circulation of the Private Placement Offer Letter;</li> <li>2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-</li> </ol>

	<p>3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi &amp; Haryana within thirty days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</p> <p>3. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within two working days from the Deemed Date of Allotment;</p> <p>4. Making listing application to NSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds;</p> <p>5. Executing the Debenture Trust Deed and/or other necessary document(s), in favour of the Trustee within sixty days of Deemed Date of Allotment of the Bonds and submit with NSE within five working days of execution of the same for uploading on its website.</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>
Event of Default	<ul style="list-style-type: none"> <li>• Non-payment of any amount due and payable in respect of the Debentures and the Transaction Documents;</li> <li>• Failure to maintain security cover;</li> <li>• Breach of any covenants under any of the Transaction Documents of this NCD Issue;</li> <li>• Repudiation of any Transaction Document;</li> <li>• Misrepresentation;</li> <li>• Unlawfulness;</li> <li>• Material Adverse Effect including any material fraud. Misappropriation, Misstatement, Embezzlement;</li> <li>• Nationalization, Moratorium, Expropriation;</li> <li>• Cessation of Business;</li> <li>• Material Litigation;</li> <li>• Wilful Defaulter; and</li> </ul> <p>In addition to the other rights upon an Event of Default, Investor shall have the right to accelerate the Debentures and make the outstanding amounts due and payable immediately by the Issuer.</p>
Cross Default	Applicable
Role and Responsibilities of Trustees	<p>The Trustees shall protect the interest of the Bondholders in the event of default by the Company in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Bondholder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.</p> <p>In pursuance of the extant provisions, it shall be the duty of the Trustee to:</p> <ol style="list-style-type: none"> <li>(a) satisfy himself that the Private Placement Offer Letter does not contain any matter which is inconsistent with the terms of the issue of Bonds or with the Debenture Trust Deed and/or other document(s);</li> <li>(b) satisfy himself that the covenants in the Debenture Trust Deed and/or other document(s) are not prejudicial to the interest of the Bondholders;</li> <li>(c) call for periodical status or performance reports from the Company;</li> <li>(d) communicate promptly to the Bondholders defaults, if any, with regard to payment of interest or redemption of Bonds and action taken by the Trustee therefor;</li> <li>(e) appoint a nominee director on the Board of the Company in the event of: <ol style="list-style-type: none"> <li>i. two consecutive defaults in payment of interest to the Bondholders; or</li> <li>ii. default in redemption of Bonds.</li> </ol> </li> <li>(f) ensure that the Company does not commit any breach of the terms of issue of Bonds or covenants of the Debenture Trust Deed and/or other document(s) and take such reasonable steps as may be necessary to remedy any such breach;</li> <li>(g) inform the Bondholders immediately of any breach of the terms of issue of Bonds or covenants of the Debenture Trust Deed and/or other document(s);</li> <li>(h) ensure that the assets of the Company issuing Bonds and of the guarantors, if any, are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the Bondholders;</li> <li>(i) call for reports on the utilization of funds raised by the issue of Bonds;</li> <li>(j) take steps to convene a meeting of the Bondholders as and when such meeting is required to be held;</li> <li>(k) ensure that the Bonds have been redeemed in accordance with the terms of the issue of Bonds;</li> </ol>

	<p>(l) perform such acts as are necessary for the protection of the interest of the Bondholders and do all other acts as are necessary in order to resolve the grievances of the Bondholders.</p> <p>The Trustee shall convene the meeting of all the Bondholders on:</p> <p>(a) requisition in writing signed by Bondholders holding at least one-tenth in value of the Bonds for the time being outstanding;</p> <p>(b) happening of any event, which constitutes a breach, default or which in the opinion of the Trustees affects the interest of the Bondholders.</p> <p>The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Companies Act, 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trusteeship Agreement, Debenture Trust Deed and/or and/or other document(s), Private Placement Offer Letter and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Company shall execute the Debenture Trust Deed and/or other document(s) in Form No.SH.12 or as near thereto as possible, in favour of the Trustee within sixty days of Deemed Date of Allotment of the Bonds and submit with NSE within five working days of execution of the same for uploading on its website. In the event of delay in execution of Debenture Trust Deed and/or other document(s) within sixty days of Deemed Date of Allotment of the Bonds, the Company shall refund the subscription with the Coupon Rate or pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with, at the option of the Bondholders.</p> <p>(c) The Company shall, till the redemption of the Bonds, submit its latest audited/ limited review half yearly consolidated (if available) and standalone financial information such as Statement of Profit &amp; Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time. 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 Bondholders within two working days of their specific request.</p>
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of New Delhi/Mumbai
Additional Covenants	<ol style="list-style-type: none"> <li><b>Security Creation:</b> The issue is proposed to be secured upfront by execution of deed of hypothecation in favour of Debenture Trustee covering the security cover of not less than 1.10 times throughout the term of debentures. In case security is not created within 90 days from Deemed Date of Allotment, Issuer will pay default interest of 2% p.a. payable monthly over the Coupon Rate from the expiry of 90 days from the deemed date of allotment till the aforesaid conditions are complied with in the form and manner acceptable to the Debenture Holders/Debenture Trustee</li> <li><b>Default in Payment:</b> In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</li> <li><b>Delay in Listing:</b> The Company shall make listing application to NSE within 15 days from the Deemed Date of Allotment of the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment of Bonds. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</li> </ol> <p>The interest rates mentioned in above three covenants shall be independent of each other.</p>
Other terms and conditions	<ul style="list-style-type: none"> <li>The Bidders are advised to bid/quote strictly as per operating Guidelines provided by stock exchanges.</li> <li>Bids with indicative rates/cut off rate &amp; tentative amount are liable for rejection.</li> <li>This is merely invitation for exploring the interest rate &amp; quantum available &amp; not be considered as an invitation to subscribe to bonds. The Company's decision regarding acceptance of amount &amp; finalization of cut-off rate shall be final.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone/ deferment/ cancel (scrap)) the proposed bond issue schedule without giving any reasons or prior notice. In such a case, arrangers/ investors shall be intimated about such modification.</li> <li>• The Issuer is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application forms which are incomplete or which do not fulfil the Terms &amp; Conditions indicated on the application form are liable to be rejected.</li> <li>• Manner of Bidding shall be closed book bidding</li> <li>• Allotment of Bonds shall be made on Uniform yield basis.</li> </ul>								
Funds Settlement	<ul style="list-style-type: none"> <li>• Successful bidders should transfer the funds on the pay-in date from the bank account(s) registered with NSE Bond platform to the designated bank account of National Securities Clearing Corporation Ltd.'s (NSCCL) on or before 10:30 am.</li> <li>• Successful bidders must ensure to pay the funds from their same bank account which is updated by them in the NSE BOND (EBP) platform while placing the bids.</li> <li>• Applicants shall make remittance of application money by way of electronic transfer of funds through RTGS/ electronic fund mechanism for credit by the pay-in time in the bank account of the NSE Clearing Corporation appearing on the NSE EBP platform in accordance with the timelines set out in the EBP guidelines and the relevant rules and regulations specified by SEBI in this regard. All payments must be made through RTGS as per the Bank details mentioned in the application form/NSE-EBP platform.</li> </ul>								
Issue Schedule*	<table border="1"> <tr> <td>Issue Opening Date</td> <td>17<sup>th</sup> November, 2020</td> </tr> <tr> <td>Issue Closing Date</td> <td>17<sup>th</sup> November, 2020</td> </tr> <tr> <td>Pay-in Date</td> <td>18<sup>th</sup> November, 2020</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>18<sup>th</sup> November, 2020</td> </tr> </table>	Issue Opening Date	17 <sup>th</sup> November, 2020	Issue Closing Date	17 <sup>th</sup> November, 2020	Pay-in Date	18 <sup>th</sup> November, 2020	Deemed Date of Allotment	18 <sup>th</sup> November, 2020
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