

# **TERM SHEET AND ILLUSTRATION OF DEBENTURE CASH FLOWS**

Security Name	8.15% PNB Housing Finance Limited 2027 Series LXV									
Issuer	PNB Housing Finance Limited (“PNBHFL”/ the “Company”/the “Issuer”)									
Type of Instrument	Listed, Secured, Rated, Taxable, Redeemable Non-Convertible Debentures									
Nature of Instrument	Secured									
Seniority	Senior									
Eligible Investors	The eligible participants/investors shall be as per the EBP Platform of the Stock Exchange as mentioned hereunder: a) QIBs as defined under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to SEBI ICDR Regulations, 2018). b) Any non-QIB, who/ which has been authorized by the issuer, to participate in a particular issue on the EBP Platform									
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	On the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. (“NSE”).  The Company proposes to list the NCDs within 3 working days from the date of closure of the Issue in accordance with SEBI Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 (updated July 07, 2023), as amended, for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper.  In case of delay in listing of securities issued on privately placement basis beyond the timelines specified above, the issuer shall pay penal interest of 1% p.a. over the coupon/ rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing).									
Rating of the Instrument	CARE AA+; Outlook - Stable by CARE Ratings Limited IND AA+; Outlook - Stable by India Ratings & Research Private Limited									
Issue Size	INR 100 Crore with Green Shoe Option of INR 200 Crores aggregating up to INR 300 Crores									
Anchor Portion within the Base issue size subject to maximum of 30% of base issue size	Sundaram Mutual Fund – INR 30 Crores									
Remaining portion of the base issue size under non-anchor portion available for bidding in EBP	INR 70 Crores with Green Shoe option of INR 200 Crores aggregating up to INR 270 Crores									
Minimum subscription	Minimum subscription, for overall issue level, is not applicable for privately placed debentures. However, minimum subscription (per application) shall be 100 NCDs amounting to INR 1 Crore.									
Option to retain oversubscription (Amount)	200 Crores									
Objects of the Issue / Purpose for which there is requirement of funds	<div>The funds are being raised by the Company for enhancing its long-term resource base for carrying out its regular business activities including:<table><tr><th>Purpose</th><th>Percentage of fund raised (%)</th></tr><tr><td>For disbursement of loans to borrowers</td><td>Up to 100%</td></tr><tr><td>For discharging of existing borrowings</td><td>Up to 100%</td></tr><tr><td>For General Corporate purposes</td><td>Up to 25%</td></tr></table></div> <div>The Main Object clause of the Memorandum of Association of the Company enables it to undertake the activities for which the funds are being raised through the present</div>		Purpose	Percentage of fund raised (%)	For disbursement of loans to borrowers	Up to 100%	For discharging of existing borrowings	Up to 100%	For General Corporate purposes	Up to 25%
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	issue and also the activities which the Company has been carrying on till date. The proceeds of this Issue after meeting all expenses of the Issue will be used by the Company for meeting issue objects.
<b>In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format</b>	Not Applicable  Pursuant to RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, Housing Finance Companies are not permitted to facilitate resource requests of or utilization by group entities/ parent company/ associates.
<b>Details of the utilization of the Proceeds</b>	The proceeds shall be utilized for the objects of the Issue.
<b>Coupon Rate (All in)</b>	8.15% p.a.
<b>Step Up/Step Down Coupon Rate</b>	NA
<b>Rating Related Early Redemption Event</b>	Rating of the Debentures is suspended or withdrawn or moved to "issuer not cooperating" category or the long-term rating of the Debentures/Issuer is downgraded to A or below or the Issuer is assigned a long-term rating of A or below by any rating agency
<b>Coupon Payment Frequency</b>	Annual
<b>Coupon Payment Dates</b>	Annually on July 29 every year till maturity date i.e, July 29, 2027
<b>Coupon Type</b>	Fixed Rate
<b>Coupon Reset Process</b>	Not Applicable
<b>Day Count Basis (Actual/Actual)</b>	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.
<b>Interest on Application Money</b>	Not Applicable
<b>Default Interest Rate</b>	<p>In case of default in payment of Interest and/or redemption of the principal amount of the Debentures on the respective due dates, additional interest of 2% p.a. over and above the coupon rate shall be payable by the Company for the defaulting period.</p> <p>Where the Company fails to execute the trust deed within the period specified by SEBI, then without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Company shall also pay interest of at least 2% (Two Percent) per annum or such other rate, as specified by SEBI to the Debenture Holders, over and above the Coupon Rate, till the execution of the Trust Deed.</p> <p>The Issuer shall complete all the formalities and seek listing permission within T+3 working days, T being the closing date. In case of delay in listing of the NCDs within the prescribed period, 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 the date of allotment to the date of listing) pursuant to SEBI Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 (updated July 07, 2023), as amended.</p>
<b>Tenor</b>	2 Years 9 Months 15 Days
<b>Redemption Date</b>	July 29, 2027
<b>Redemption Amount</b>	At Par, INR 1,00,000 (Rupees One Lakh) per Debenture

<b>Redemption Premium /Discount</b>	Not Applicable
<b>Issue Price</b>	INR 1,00,000 (Rupees One Lakh) per Debenture
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	Issued at Par
<b>Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount.</b>	Redemption at Par
<b>Put Date</b>	Not applicable
<b>Put Price</b>	Not applicable
<b>Call Date</b>	Not applicable
<b>Call Price</b>	Not applicable
<b>Put Notification Time</b>	Not applicable
<b>Call Notification Time</b>	Not applicable
<b>Face Value</b>	INR 1,00,000 (Indian Rupees One Lakh) per Debenture
<b>Minimum Application and in multiples of thereafter</b>	The minimum application size for the Issue shall be 100 (Hundred) Debenture and in multiples of 1 (one) Debenture thereafter.
<b>Issue Timing</b>	11:30 A.M. to 12:30 P.M.
<b>Issue Opening Date</b>	October 11, 2024
<b>Issue Closing Date</b>	October 11, 2024
<b>Date of earliest closing of the issue, if any.</b>	Not Applicable
<b>Pay-in Date</b>	October 14, 2024
<b>Deemed Date of Allotment</b>	October 14, 2024
<b>Type of Bidding</b>	Open Bidding
<b>Manner of Allotment</b>	Fixed Coupon and Multiple Yield
<b>Mode of Subscription</b>	Successful Bidders shall be required to transfer funds from bank account(s) registered with EBP to the bank account of the Clearing Corporation/ ICL to the extent of funds pay-in obligation on or before 10.30 hours on T+1 day as defined by Issuer at the time of issue setup, T being the closing date.
<b>Issuance Mode of the Instrument</b>	Demat Only
<b>Trading Mode of the Instrument</b>	Demat Only
<b>Settlement mode of the Instrument</b>	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks.
<b>Depository</b>	National Securities Depository Limited and Central Depository Services (India) Limited
<b>Disclosure of Interest/ redemption dates</b>	Refer cash flow as mentioned below.
<b>Record Date</b>	15 days prior to each Coupon Payment Date and Redemption Date.

<b>Effect of Holidays</b>	<p>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. However, the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the NCDs 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 interest accrued on the NCDs until but excluding the date of such payment.</p> <p>If the Record Date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.</p> <p>In case of failure of RBI's system for RTGS / NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same</p>
<b>Business day</b>	Business day shall mean any day (excluding Sundays and any day which is a public holiday under Section 25 of the Business Day Negotiable Instruments Act, 1881 at Mumbai) on which money market is functioning in Mumbai and "Business Days" shall be construed accordingly.
<b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>	<p>The covenants of the issue include:</p> <ul style="list-style-type: none"> <li>• Interest rate, computation of interest, payment of interest.</li> <li>• Interest on application money.</li> <li>• Business day, Record date.</li> <li>• Redemption, payment of redemption amount</li> <li>• Listing and Rating; and</li> <li>• Mode of transfer of NCDs</li> </ul> <p>No side letters are executed pursuant to said Issue. For further details, refer the Debenture Trust Deed executed in this regard and Annexure 12.</p>
<b>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 placement memorandum</b>	<p>An exclusive charge on the specific book debts of the Company with minimum security coverage of 1 time (as defined under DTD) shall be created prior to the listing of Debentures.</p> <p>Issuer further undertakes:</p> <ol style="list-style-type: none"> <li>1. to maintain the value of Security Cover at all times till the obligations under the Issue are discharged to final settlement.</li> <li>2. to create the charge over the Hypothecated Property by executing the 'Deed of Hypothecation' prior to the listing of debentures.</li> <li>3. to perfect the charge over the Hypothecated Property by filing the relevant form immediately and no later than 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation.</li> </ol> <p>As per SEBI (Issue and listing of Non-convertible Securities) Regulation, 2021 an additional 2% interest will be paid in case of delay in execution of DTD as per applicable law.</p> <p><b>Undertaking by the Company</b></p> <p>The Company hereby undertakes that the assets of the Issuer which are proposed to secure the NCDs are free from any encumbrances and there are no cases where the assets are already charged to secure a debt and hence a permission or a consent to create a second or pari-passu charge on the assets is not obtained from earlier creditor.</p> <p>Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.</p>
<b>Financial Covenants</b>	For details, refer to the Debenture Trust Deed executed in this regard.
<b>Transaction Documents</b>	The Issuer has executed/ shall execute the documents including but not limited to the

	<p>following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. General Information Document and Key Information Document</li> <li>2. Consent Letter of Trustee Letter appointing IDBI Trusteeship Services Ltd. as Trustees to the Debenture holders.</li> <li>3. Debenture Trusteeship Agreement.</li> <li>4. Debenture Trust Deed and/or Deed of Hypothecation and/or other security document(s)</li> <li>5. Rating Letter &amp; Rationale</li> <li>6. NSE In-principal approval letter for General Information Document</li> <li>7. Any other document as agreed between the issuer and the trustee</li> </ol>
<b>Conditions Precedent to Disbursement</b>	<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 and Research Private Limited and CARE Ratings Limited not being more than one month old from the issue opening date.</li> <li>2. Written consent letter from the Trustees conveying their consent to act as Trustees for the Debenture Holders.</li> <li>3. In-principal approval from NSE for General Information Document for issuance of Non- Convertible Debentures</li> </ol>
<b>Condition Subsequent to Disbursement</b>	<ol style="list-style-type: none"> <li>1. Execution of the Deed of Hypothecation before listing NCDs.</li> <li>2. Filing of the relevant documents inter alia, return of allotment etc. with the Registrar of Companies within the timelines specified under the rules of the Companies Act, 2013.</li> <li>3. Completion of the listing of Debentures on NSE within 3 (three) working Days from the closure of the issue.</li> <li>4. Filing of the relevant form with the Registrar of Companies for the registration of charge over the Hypothecated Property within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation.</li> <li>5. Execution of any other documents is customary for transaction of a similar nature and size.</li> <li>6. Duly executed Debenture Trust Deed to be uploaded on the stock exchange on execution.</li> </ol>
<b>Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</b>	<ul style="list-style-type: none"> <li>• Default in payment of interest and principal amount</li> <li>• Default in performance of covenant and conditions</li> <li>• Failure to maintain security cover.</li> <li>• The events of default shall be as follows:</li> </ul> <ol style="list-style-type: none"> <li>a) Payment Defaults Default is committed in payment of any amounts due on the Due Date or any amount owing to the Debenture Holder(s);</li> <li>b) Business When the Company without the consent of Debenture Holders ceases to carry on its business or gives notice of its intention to do so.</li> <li>c) Security in Jeopardy <ol style="list-style-type: none"> <li>(i) In the opinion of the Debenture Trustee the Hypothecated Assets is in jeopardy;</li> <li>(ii) If, without the prior written approval of the Debenture Trustee, the Hypothecated Assets or any part thereof is transferred, assigned, charged, encumbered or alienated; or</li> <li>(iii) the value of the Hypothecated Assets is insufficient to maintain the Security Cover of 1 time at any time during the currency of the Debentures and Company fails to replenish the minimum Security Cover specified in the Hypothecation Deed within 3 days.</li> <li>(iv) If the security over the Hypothecated Asset becomes unenforceable, illegal or invalid or any restriction, imposition, attachment or any similar event has been levied on the Security and no fresh Security is offered by the Company.</li> </ol> </li> </ol> <p>In addition to the other rights upon an Event of Default, the Investor shall have the right to accelerate the Debentures and make the outstanding amounts due and payable immediately by the Issuer.</p>
<b>Creation of recovery expense fund</b>	<p>The Issuer has maintained the recovery expense fund with NSE Limited as per the terms of the applicable laws including but not limited to the SEBI circular SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated 16th May, 2024 as amended from time to time.</p>

	The recovery expense fund shall be utilized in such manner and for such purposes as may be prescribed by the Securities Exchange Board of India.
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	In case of breach of covenants or terms of the issue by the Company, to the extent applicable and required in terms of Chapter X: Breach of Covenants, Default and Remedies of the SEBI Master circular for Debenture Trustee dated 16 <sup>th</sup> May, 2024 (as amended from time to time), the Trustee shall take steps as decided in the meeting of holders of debt securities in this regard.
<b>Provisions related to Cross Default Clause</b>	Not Applicable
<b>Role and Responsibilities of Debenture Trustee</b>	<p>The Trustee shall protect the interest of the Debenture holders. In the event of default by the Company in regard to timely payment of interest and repayment of principal, the trustee in consultation with the Debenture holders shall take necessary action at the cost of the Company.</p> <p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. Further, the Debenture Trustee has undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the circulars issued by SEBI titled "Master Circular for Debenture Trustee" dated 16th May, 2024 bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46.</p> <p>Further roles and responsibilities of Debenture Trustee are stated in Debenture Trust Deed which will be executed within timeframe prescribed under the Companies Act.</p>
<b>Risk factors pertaining to the issue</b>	For detailed risk factors, please refer the Section III in the General Information Document dated September 12, 2024.
<b>Governing Law and Jurisdiction</b>	The NCDs 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 the Courts at Delhi.
<b>Reissuance and Consolidation</b>	The Issuer shall have right to re-issue or consolidate the bonds under present series in accordance with applicable law.

- If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and the events which lead to such change should be disclosed.
- The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed — Please refer to the transaction documents specified in the Term Sheet above.
- While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of General Information Document, in favour of Debenture Trustee, it is 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.
- The issuer shall provide granular disclosures in their issue document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

#### ILLUSTRATION OF CASHFLOWS – SERIES LXV

<b>Company</b>	PNB Housing Finance Limited
<b>Face Value (Per Security)</b>	INR 1,00,000 (Rupees One Lakh)
<b>Issue Date / Date of Allotment</b>	Issue Opening Date: Friday, October 11, 2024 Deemed Date of Allotment: Monday, October 14, 2024
<b>Redemption Date</b>	Thursday, July 29, 2027
<b>Coupon Rate – All in</b>	2 Years 9 Months 15 Days, 8.15%
<b>Frequency of the Coupon Payment with specified dates</b>	Annually, First interest shall become payable on Tuesday 29 July, 2025 and subsequently on 29th July every year, till maturity/ redemption on Thursday 29 July, 2027.
<b>Day Count Convention</b>	Actual/Actual

Nature	Due Date	Payout Date	No. of Days in Coupon Period	Amount (in ₹)
Pay-In	Monday, 14 Oct 24	Monday, 14 Oct 24		-1,00,000.00
1st Coupon	Tuesday, 29 Jul 25	Tuesday, 29 Jul 25	288	6,430.68
2nd Coupon	Wednesday, 29 Jul 26	Wednesday, 29 Jul 26	365	8,150.00
3rd Coupon	Thursday, 29 Jul 27	Thursday, 29 Jul 27	365	8,150.00
Principal	Thursday, 29 Jul 27	Thursday, 29 Jul 27		1,00,000.00