

**PNB Housing Finance Limited**  
Secured Redeemable Non-Convertible Bonds in the nature of promissory Notes (Series LV)  
**Term Sheet**

Issuer	PNB Housing Finance Ltd. ("PNB HFL" / the "Company" / the "Issuer")
Instrument/ Security Name	Secured Redeemable Non-Convertible Bonds in the nature of promissory Notes ("Bonds")
Type of Instrument	Secured, Redeemable, Non-Convertible, Rated, Listed, in the nature of promissory Notes
Nature of Instrument	Secured
Issue size	INR 130 Crores plus green shoe option to retain over-subscription amount up to INR 120 Crores totaling to the Issue size of INR 250 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	CARE "AA" by CARE Ratings & "IND AA" by India Ratings and Research Private Limited
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>First charge on the specific book debts of the Company with minimum asset coverage of 1.10 times (as defined under DTD).</p> <p>Issuer further undertakes:</p> <ol style="list-style-type: none"> <li>to maintain the value of Security Cover at all times till the obligations under the Issue are discharged;</li> <li>to create the charge over the Hypothecated Property by executing the 'Deed of Hypothecation' prior to the listing</li> <li>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>
Tenor	3 years
Put & Call Option Price	None
Redemption	At par at the end of 3 years from the date of Allotment
Redemption Date	25 <sup>th</sup> June, 2024
Proposed Coupon rate	6.50% p.a.
Interest payment	Annually
Interest payment date	First interest payment on 25 <sup>th</sup> June 2022, and then annually, till the maturity of Bonds (i.e. on 25 <sup>th</sup> June, 2024)
Step Up/ Step Down Coupon Rate	None
Coupon Type	Fixed
Coupon Reset	None
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>On the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. ("NSE").</p> <p>The Company proposes to list the Bonds within 4 trading days from the date of closure of the Issue, in accordance with the SEBI circular dated 5<sup>th</sup> October 2020 on "Standardization of timeline for listing of securities issued on a private placement basis".</p> <p>In case of delay in listing of the Debentures beyond 4 trading days from the Issue Closing Date, the Company will pay penal interest @1 % p.a. over the Coupon Rate for the period of delay to the investor (i.e. from the Deemed Date of Allotment to the date of listing).</p>
Objects of the issue	<p>The proceeds of the issue shall be utilized towards repayment/prepayment of existing long term and short term debts of the Company or same shall also be used for onward lending by the Company. In the interim, till the time company utilizes the amount, same shall be invested in debt mutual funds.</p> <p>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.</p>
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis". Where the interest period

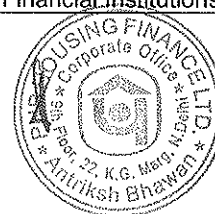
पंजीकृत कार्यालय: 9वीं मंजिल, अंतरिक्ष भवन, 22, कस्तूरबा गाँधी मार्ग, न्यू दिल्ली - 110007

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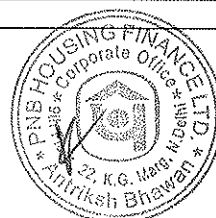
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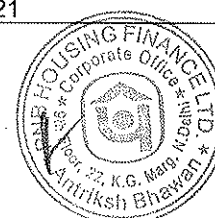
	(start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money against which Allotment is made	At the respective Coupon Rate from the date of receipt of application money up to one day prior to the Deemed Date of Allotment.  Such interest on Application Money shall be payable within 7 (seven) Business Days from the Deemed Date of Allotment. Where pay-in date and Deemed Date of Allotment are the same, no interest on application money is to be paid.
Trustee	IDBI Trusteeship Services Limited
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Registrar	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.
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	The major covenants of the issue include: <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>• 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.</p>
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> </ol>



	<p>e) Foreign Nationals;</p> <p>f) Non-Resident Indians;</p> <p>g) Persons resident outside India;</p> <p>h) Minors without a guardian name;</p> <p>i) Person ineligible to contract under applicable statutory/ regulatory requirements.</p>
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. Consent Letter of Trustee 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. Deed of Hypothecation and/or other security document(s);</li> <li>5. Rating Letter with India Ratings and Research Private Limited and Care Ratings Limited;</li> <li>6. Application made to NSE for seeking its in-principle approval for listing of Bonds;</li> <li>7. Any other document as agreed between the issuer and the trustee</li> </ol>
Conditions precedent to subscription of Bonds	<ol style="list-style-type: none"> <li>1. The Issuer has obtained in-principle approval of the stock exchange for listing of Debentures;</li> <li>2. Execution of Debenture Trust Agreement and the Debenture Trust Deed;</li> <li>3. Such other undertaking / information as may be required by the trustee from the Company.</li> </ol>
Conditions subsequent to subscription of Bonds	<ol style="list-style-type: none"> <li>1. Execution of the Deed of Hypothecation before listing of bonds</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 under the Companies Act, 2013.</li> <li>3. Completion of the listing of Debentures on NSE within 4 (Four) Business 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 as customary for transaction of a similar nature and size.</li> </ol>
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>
Creation of Recovery Expense Fund	<p>The Issuer has maintained the recovery expense fund with NSE Limited as per the terms of the applicable laws.</p> <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</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed)	None except covenants as described in Event of Default
Cross Default	Applicable



Role and Responsibilities of Trustees	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 (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.	
Risk factors pertaining to the issue	<p>Internal Risks</p> <ul style="list-style-type: none"> <li>• Credit Risk: The business of lending carries the risk of default by borrowers</li> <li>• Market risk: This risk arises as a result of interest rate volatility</li> <li>• Asset Liability Management: The risks that arise out of mismatch of assets and liabilities</li> <li>• Operational risk: The risks that arise out of systemic issues within an organisation</li> </ul> <p>External Risks</p> <ul style="list-style-type: none"> <li>• Regulatory Changes</li> <li>• Risk of Competition; and</li> <li>• General Risks</li> </ul> <p>For detailed risk factors, please refer the information memorandum dated 24th June, 2021</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.	
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> <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*	Issue Opening Date	24 <sup>th</sup> June, 2021
	Issue Closing Date	24 <sup>th</sup> June, 2021
	Pay-in Date	25 <sup>th</sup> June, 2021
	Deemed Date of Allotment	25 <sup>th</sup> June, 2021



**Cash Flow of Interest Payment for 3 years("IP")**

	<b>Original Coupon Payment Date &amp; Redemption Date</b>	<b>Interest for No. of Days</b>	<b>Amount payable per Bond (in Rs.)</b>	<b>Day</b>
<i>Issue/Allotment</i>	<i>Wednesday, June 25, 2021</i>		<i>(1,000,000)</i>	<i>Friday</i>
<i>1st IP*</i>	<i>Saturday, June 25, 2022</i>	<i>365</i>	<i>65,000</i>	<i>Saturday</i>
<i>2nd IP*</i>	<i>Sunday, June 25, 2023</i>	<i>365</i>	<i>65,000</i>	<i>Sunday</i>
<i>3rd IP*</i>	<i>Tuesday, June 25, 2024</i>	<i>366</i>	<i>65,000</i>	<i>Tuesday</i>
<i>Maturity</i>	<i>Tuesday, June 25, 2024</i>	<i>0</i>	<i>1,000,000</i>	<i>Tuesday</i>

\*Based on Coupon rate of 6.50% annually

**Note:** While debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document in favour of Debenture Trustee, it is the duty of the Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario at the time of enforcement of the security

**For PNB Housing Finance Limited**

**Authorized Signatories**

