

September 22, 2021

**National Stock Exchange of India Limited**  
**Listing Department**  
**“Exchange Plaza”**  
**Bandra Kurla Complex**  
**Bandra (E), Mumbai – 400 051**

Dear Sir,

**Sub: Disclosure in terms of Regulation 50 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

In compliance with Regulation 50 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we submit Term Sheet for issue of secured redeemable non-convertible debentures (Series LVI) to be allotted on September 27, 2021.

The details are as below:

Series	Coupon Rate	Amount (INR)	Issue Opening And Closing Date	Allotment Date	Tenure
LVI	6.50% p.a.	300 crores plus green shoe option to retain over-subscription amount up to INR 400 crores totaling to the issue size of INR 700 crores	September 24, 2021	September 27, 2021	3 years

We request you to kindly take note of the same.

Thanking you,  
For PNB Housing Finance Limited

  
Company Secretary

Encl: Term Sheet Series LVI

**PNB Housing Finance Limited**  
**TERM SHEET**

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

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")
Type of Instrument	Secured, Redeemable, Non-Convertible, Rated, Listed, in the nature of promissory Notes
Nature of Instrument	Secured
Issue size	INR 300 Crores plus green shoe option of INR 400 Crores ("the Issue")
Minimum subscription	10 bonds (INR 1 crore) and then in multiple of 1 bond (INR 10 lakh)
Option to retain oversubscription amount	To retain oversubscription up to INR 400 Crore, aggregating to INR 700 Crore
Trading Mode of the instrument	Demat only
Seniority	Senior
Mode of Issue	Private placement basis
Instrument Form	In Demat mode
Face Value	INR 10,00,000/- Per Bond
Minimum application and in multiples of thereafter	10 bonds (INR 1 crore) and then in multiple of 1 bond (INR 10 lakh)
Issue Price	At Par (INR 10,00,000/- Per Bond)
Discount at which the security is issued and the effective yield as a result of such discount	Not applicable
Redemption Price	At Par (INR 10,00,000/- Per Bond)
Credit Rating of the Instrument	CARE "AA" by CARE Ratings 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) 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;</li> <li>2. to create the charge over the Hypothecated Property by executing the 'Deed of Hypothecation' prior to the listing</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 additional 2% interest will be paid in case of delay in execution of DTD as per applicable law.</p>
Tenor	3 years from the deemed date of Allotment
Put & Call Option Date	Not applicable
Put & Call Option Price	Not applicable
Put & Call Notification Time	Not applicable
Redemption Date	27 <sup>th</sup> September, 2024
Proposed Coupon rate	6.50% p.a.
Interest payment frequency	Annually
Interest payment date	First interest payment on 27 <sup>th</sup> September 2022, and then annually, till the maturity of Bonds (i.e. on 27 <sup>th</sup> September, 2024)
Step Up/ Step Down Coupon Rate	Not applicable
Coupon Type	Fixed rate
Coupon Reset Process	Not applicable
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 SEBI Operational Circular dated August 10, 2021 for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial</p>



	<p>Paper dated August 10, 2021. In case of delay in listing of the Debentures beyond 4 trading days from the Issue Closing Date,</p> <ol style="list-style-type: none"> <li>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 Date of Allotment to the date of listing).</li> <li>Be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges.</li> </ol>
Delay in allotment of securities	In case of delay in allotment of securities or credit of NCDs in demat account of the NCD holders, beyond the time limit specified under applicable statutory/regulatory laws; the Company would pay interest at such rates, as may be specified under such applicable statutory and regulatory laws.
Objects of the issue	<p>The proceeds of the issue shall be utilized Up to 100% towards the repayment/prepayment of existing long term and short term debts of the Company or same shall also be used Up to 100% for onward lending by the Company. In the interim, till the time company utilizes the amount, same may 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>
Details of the utilization of the proceeds	<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 may 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	<p>Actual/ Actual</p> <p>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</p>
Interest on Application Money against which Allotment is made	<p>At the respective Coupon Rate from the date of receipt of application money up to one day prior to the Deemed Date of Allotment.</p> <p>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.</p>
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period.
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 Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021
Effect of holidays	<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 as per SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021.</p> <p>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</p>



	accrued on the Bonds until such date of redemption as per SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021
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>
Eligible Investors	<ul 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> </ul>
Investors who are not eligible to apply	<ul 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> </ul>
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: <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 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 Trustee 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</li> </ol>





	<p>the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013.</p> <ol style="list-style-type: none"> <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>• without the consent of debenture holders ceases to carry on its business or gives notice of its intention to do so;</li> <li>• 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;</li> <li>• creates or attempts to create any charge on the mortgaged premises or any part thereof without the prior approval of the trustees/ debenture holders;</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</li> <li>• Security in jeopardy; and</li> <li>• Events of Default as elaborated in the Debenture Trust Deed to be executed between the Company and Debenture Trustee, 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 organization</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>



	For detailed risk factors, please refer the information memorandum dated 24th September, 2021	
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> September, 2021
	Issue Closing Date	24 <sup>th</sup> September, 2021
	Pay-in Date	27 <sup>th</sup> September, 2021
	Deemed Date of Allotment	27 <sup>th</sup> September, 2021

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

Date	Event	From*	To*	No. of days	Coupon Rate (p.a.)	Face Value per NCD	Amount in Rupees per NCD
27.09.2022	Interest	27.09.2021	26.09.2022	365	6.50%	10,00,000	65,000
27.09.2023	Interest	27.09.2022	26.09.2023	365	6.50%	10,00,000	65,000
27.09.2024	Interest	27.09.2023	26.09.2024	366	6.50%	10,00,000	65,000
27.09.2024	Principal						10,00,000
<b>Total</b>							<b>11,95,000</b>

\*including both the dates

*Note: While Debentures are secured to the tune of 100% of the principal or as per the terms of Disclosure 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 security.*

For PNB Housing Finance Limited

Authorized Signatories

