

Term Sheet (SERIES Y-004 Dated 15th December 2020)

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| Security Name | HDFC SERIES Y-004 18 th February 2022 |
| Issuer | Housing Development Finance Corporation Limited ✓ |
| Type of Instrument | Secured Redeemable Non-Convertible Debentures ✓ |
| Nature of Instrument | Secured ✓ |
| Seniority | Senior ✓ |
| Mode of Issue | Private Placement ✓ |
| Eligible Investors | Only the persons who are specifically addressed through a communication are eligible to apply for the Debentures. No other person can apply. ✓ |
| Listing | BSE Limited and National Stock Exchange of India Limited. ✓ |
| Rating | “CRISIL AAA” by CRISIL Ltd ✓ “ICRA AAA” by ICRA Ltd ✓ |
| Issue Size (Rs.) | Rs. 2,500 crore ✓ |
| Option to retain oversubscription (Rs.) | Rs. 2,500 crore ✓ |
| Objects of the Issue | The object of the issue is to augment the long-term resources of the Corporation. The proceeds of the present issue would be utilized for financing / refinancing the housing finance business requirements of the Corporation. ✓ |
| Details of the utilization of the proceeds | The proceeds would be utilized for meeting the Object of the Issue ✓ |
| Coupon Rate | 4.23% p.a. ✓ |
| Step Up Coupon Rate | Not Applicable ✓ |
| Coupon Payment Frequency | Annual ✓ |
| Coupon Payment dates | 18 th February 2021 and 18 th February 2022 ✓ |
| Coupon Type | Fixed ✓ |
| Coupon Reset | Not Applicable ✓ |
| Day Count Basis | Actual / Actual ✓ |
| Bid Opening Date | 17 th December 2020 ✓ |
| Bid Closing Date | 17 th December 2020 ✓ |
| Mode of Bidding | Open Book ✓ |
| Manner of Allotment | Uniform Rate ✓ |
| Interest on Application Money | Not Applicable ✓ |
| Default Interest Rate | Refer Additional Covenants ✓ |
| Tenor | 14 Months ✓ |
| Redemption Date | 18 th February 2022 ✓ |
| Redemption Amount | Rs.10,00,000/- each ✓ |
| Redemption Premium | Not Applicable ✓ |
| Issue Price | Rs.10,00,000/- each ✓ |
| Discount at which security is issued and the effective yield as a result of such discount | Not Applicable ✓ |
| Put Option Date | Not Applicable ✓ |
| Put Option Price | Not Applicable ✓ |
| Call Option Date | Not Applicable ✓ |
| Call Option Price | Not Applicable ✓ |



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| Put Notification Time | Not Applicable ✓ |
| Call Notification Time | Not Applicable ✓ |
| Face Value | Rs.10 lakh each ✓ |
| Minimum Subscription | Ten Debentures of Rs. 10 lakh each and in multiple of One Debenture thereafter ✓ |
| Issue Opening Date | 17 th December 2020 ✓ |
| Issue Closing Date | 17 th December 2020 ✓ |
| Pay-in Date | 18 th December 2020 ✓ |
| Deemed Date of Allotment | 18 th December 2020 ✓ |
| Issuance Mode | Dematerialized mode only ✓ |
| Trading Mode | Dematerialized mode only ✓ |
| Settlement Mode | RTGS/NEFT/Fund Transfer ✓ |
| Depositories | NSDL/CDSL ✓ |
| Business Day Convention | Means any day (excluding Sundays and any day which is a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Mumbai, India) on which the money market is functioning in Mumbai and the term "Business Days" is to be construed accordingly. For further details, please Refer "Effect on Holidays" in the Shelf Disclosure Document dated September 15, 2020 ✓ |
| Record Date | The record date will be 15 days prior to each interest payment / principal repayment 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"> • Interest rate, computation of interest, payment of interest; • Interest on application money; • Business day, record date; • Redemption, payment of redemption amount; • Listing and Rating; and • Mode of transfer of NCDs. <p>For further details please refer the Debenture Trust Deed dated September 15, 2020.</p> <p>No side letters are executed pursuant to the said Issue.</p> |
| Security (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 Offer Document/ Information Memorandum) | Secured by way of Negative Lien on the Assets, to the extent of Asset Cover, without any encumbrance in favour of the Debenture Trustee except to the extent of the charge created in favour of its depositors of the Company pursuant to the regulatory requirement under Section 29B of the NHB Act. However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of Asset Cover, except to the extent of charge created in favour of its depositors. |



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| | <p>pursuant to the regulatory requirement under Section 29B of the NHB Act or as may be required under any law, regulation, guidelines or rules.</p> <p>Date of creation of security: September 15, 2020.</p> <p>Asset cover available as on September 30th, 2020, for NCDs issued by the Corporation: 2.95</p> <p>Date of filing of e-form for creation of charge on the security: October 6, 2020</p> <p>The Debenture holder will not be paid any interest over and above the coupon rate as specified above.</p> |
| Transaction Documents | <p>Term Sheet</p> <p>Rating Letter</p> <p>Rating Rationale</p> <p>Trustee Consent ✓</p> |
| Manner of Settlement | <p>Clearing Corporation Mechanism ✓</p> |
| Other Terms (if any) | <p>With reference to the Notification bearing No. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of Foreign Institutional Investor (FII) investment in ‘to be listed’ debt securities, HDFC confirms that the debentures would be listed within 15 days from the deemed date of allotment. In case the debentures issued to the SEBI registered FIIs / sub-accounts of FIIs are not listed within 15 days from the deemed date of allotment, for any reason, then HDFC would immediately redeem / buyback the debentures from the FIIs/sub-account of the FIIs. ✓</p> |
| Conditions Precedent to Disbursement | <p>None</p> |
| Default of Payment | <p>In case of default in payment of Interest and/or principal redemption on the due dates, an additional interest of at least @ 2% p.a. over the coupon rate will be paid for the defaulting period by the Corporation ✓</p> |
| Delay in Listing | <p>In case of Delay in Listing of Debentures beyond the time lines as specified in the Circular No: SEBI/HO/DDHS/CIR/P/2020/198 dated October 5th, 2020, issued by the SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI), the Corporation will pay a 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) ✓</p> |
| Conditions Subsequent to Disbursement | <p>None ✓</p> |
| Events of Default (including manner of voting/conditions for joining inter creditor agreement) | <p>Following are certain events/circumstances which can be an Event of Default: ✓</p> |



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| | <ul style="list-style-type: none"> • Default in redemption of debentures and payment of interest; • Default in performance of covenants and conditions; • Supply of misleading information in the application by the Company to the Debenture Holder(s) for financial assistance by way of subscription to the Debentures; and • Proceedings against the company under bankruptcy or insolvency law. • If the security is in jeopardy. <p>For further details on Events of Default, please refer the Debenture Trust Deed dated September 15, 2020.</p> |
| Creation of Recovery Expense Fund | The Recovery Expense Fund will be utilized in such manner and for such purposes as may be prescribed by the Securities Exchange Board of India. ✓ |
| Conditions for breach of covenants | As more particularly set out in the Debenture Trust Deed dated September 15, 2020. ✓ |
| Provisions related to Cross Default Clause | Not Applicable ✓ |
| Role and Responsibilities of Debenture Trustee | <p>Following are certain roles and responsibilities of the Debenture Trustee:</p> <ul style="list-style-type: none"> • Perform such acts as are necessary for the protection of the interest of the Debenture Holders and resolve the grievances of the Debenture Holders. • Follow up for redemption of Debentures in accordance with the Terms and Conditions of Debentures. • Call for quarterly reports certifying that the Security are sufficient to discharge the Interest and principal amount at all times and that such Security are free from any other encumbrances except as set out under this Deed. • In case the Company commits any breach of the terms of the Deed, the Debenture Trustee in consultation with the Debenture Holders shall take such reasonable steps as maybe necessary to remedy such breach. <p>For further details on roles and responsibilities of Debenture Trustee, please refer the Debenture Trust Deed dated September 15, 2020.</p> |
| Risk Factors pertaining to the issue | <p>Internal Risks</p> <ul style="list-style-type: none"> • Credit Risk: The business of lending carries the risk of default by borrowers; • Market Risk: This risk arises as a result of interest |



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| | <p>rate volatility;</p> <ul style="list-style-type: none"> • Asset Liability Management: The risks that arise out of mismatch of assets and liabilities; and • Operational Risk: The risks that arise out of systemic issues within an organization <p>External Risks</p> <ul style="list-style-type: none"> • Regulatory Changes; • Risk of Competition; and • General Risks <p>For detailed risk factors, please refer the Shelf Disclosure Document dated September 15, 2020. ✓</p> |
| Governing Law and Jurisdiction | The debentures are being governed by and shall be constructed exclusively in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts in the city of Mumbai, India ✓ |
| Arrangers to the Issue (if any) | ICICI Bank ✓ |

Note: While debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Shelf Disclosure 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. ✓

Banking Details:

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| Name of the Bank | HDFC Bank Limited ✓ |
| IFSC | HDFC0000060 ✓ |
| Current Account No | NSCCL/NSE Clearing Ltd as mentioned in the NSE EBP portal ✓ |
| Name of the Beneficiary | NSE Clearing Limited ✓ |

The Corporation reserves the right to change the series timetable ✓



Cash flows in respect of Debenture of face value Rs.10 lakh for Series Y-004

| Cash Flows | Date | No. of days in Coupon Period | Amount in Rupees |
|------------------------|---|------------------------------|------------------|
| 1 st Coupon | Thursday, 18 th February, 2021 | 62 | 7,185 |
| 2 nd Coupon | Friday, 18 th February, 2022 | 365 | 42,300 |
| Principal | Friday, 18 th February, 2022 | | 10,00,000 |
| Total | | | 10,49,485 |

The above table is illustrative and indicative. The actual dates and maturity amount will be in accordance to and in compliance with the provisions of SEBI circular CIR/IMD/DF/18/2013 dated October 29, 2013, and further circular issued from time to time, giving effect to actual holidays and dates of maturity which qualifies the SEBI requirement.

For Housing Development Finance Corporation Ltd.

V. Srinivas Rao
Authorised Signatories
S. R.