

**Term Sheet (Series Z-006 dated 25<sup>th</sup> October 2021 )**

Security Name	HDFC SERIES Z-006 28 <sup>th</sup> October 2024
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 where NCDs will be listed and timeline for listing	BSE Limited and National Stock Exchange of India Limited. The Debentures issued in terms of this Disclosure Document will be listed within 4 days from the Deemed Date of Allotment of each series
Rating of the instrument	"CRISIL AAA" by CRISIL Ltd "ICRA AAA" by ICRA Ltd
Issue Size (Rs.)	Rs.2,000 cr
Option to retain oversubscription (Rs.)	Nil
Objects of the Issue/ Purpose for which there is requirement of funds	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	Coupon Rate would be payable at a fixed spread of 80 basis points over the 'Benchmark' defined herebelow  Benchmark to be reset on quarterly basis.  Coupon Rate is to be rounded off to 2 (Two) decimal place.
Initial Coupon Rate setting	The first such quarterly setting of the Coupon Rate for 28 <sup>th</sup> October 2021 would be 4.25% p.a.
Benchmark	3 months T-Bill Rate as published by FBIL and sourced from Bloomberg (Currently with ticker of FBTB3M Index)  The Benchmark 3 months T-Bill Rate shall be calculated using simple average of the closing rates of 5 working days (rounding to 2 decimal) prior to each coupon reset date (data source would be Bloomberg)  <b>Alternative Determination of Benchmark</b>  If Bloomberg data is not available for Benchmark, then simple average of FBIL 3 months T-Bill closing rate, as published by Financial Benchmarks India Pvt. Ltd.



	<p>("FBIL") on the FBIL's website <a href="http://www.fbil.org.in">http://www.fbil.org.in</a> under Money Market /Interest Rates – T-Bill Curve or such other part of the respective website may be recognized from time to time, of 5 previous working days before the coupon reset date would be considered.</p> <p>If, for any reason, whatsoever, the alternative determination of the Benchmark is also not possible on Benchmark Determination Date, then, the Issuer and the Debenture Trustee (acting on the instructions of the Debenture holders) shall mutually agree upon a replacement of the Benchmark Rate with a new Benchmark for such Benchmark Determination</p>
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual
Coupon Payment dates	28 <sup>th</sup> October 2022, 28 <sup>th</sup> October 2023 & 28 <sup>th</sup> October 2024
Coupon Type(fixed, floating or other structure)	Floating Coupon Rate with quarterly reset, payable annually
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	<p>Quarterly reset of the coupon rate at a fixed spread of 80 basis point over the Benchmark.</p> <p>3 months T-Bill Rate as published by FBIL and sourced from Bloomberg (Currently with ticker of FBTB3M Index)</p> <p>The Benchmark 3 months T-Bill Rate shall be calculated using simple average of the closing rates of 5 working days (rounding to 2 decimal) prior to each coupon reset date (data source would be Bloomberg)</p>
Process of Computing Coupon Payment	<p>The first coupon payment will be simple average of previous four quarterly coupon rates setting e.g. Coupon rate to be paid on 28<sup>th</sup> October, 2022 will be the simple average of coupon rate setting (rounded off to 2 (two) decimal place) as on 28<sup>th</sup> October, 2021, 28<sup>th</sup> January, 2022, 28<sup>th</sup> April, 2022 and 28<sup>th</sup> July, 2022.</p> <p>The subsequent coupon reset dates would be:</p> <ul style="list-style-type: none"> <li>• 28<sup>th</sup> October, 2022</li> <li>• 28<sup>th</sup> January, 2023</li> <li>• 28<sup>th</sup> April, 2023</li> <li>• 28<sup>th</sup> July, 2023</li> <li>• 28<sup>th</sup> October, 2023</li> <li>• 28<sup>th</sup> January, 2024</li> <li>• 28<sup>th</sup> April, 2024</li> <li>• 28<sup>th</sup> July, 2024</li> </ul> <p>Subsequent coupon payments are to be computed in the similar manner as described above.</p>





Day Count Basis	Actual / Actual
Bid Opening Date	27 <sup>th</sup> October 2021
Bid Closing Date	27 <sup>th</sup> October 2021
Mode of Bidding	Open Book
Manner of Allotment	Uniform Rate
Interest on Application Money	Not Applicable
Default Interest Rate	Refer Additional Covenants
Tenor	3 Years
Redemption Date	28 <sup>th</sup> October 2024
Redemption Amount	Rs.10,00,000/- each
Redemption Premium/Discount	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
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	Rs.10 lakh each
Minimum Application and in multiples of thereafter	Ten Debentures of Rs. 10 lakh each and in multiple of One Debenture thereafter
Issue Timing	10:30 am to 11:30 am
Issue Opening Date	27 <sup>th</sup> October 2021
Issue Closing Date	27 <sup>th</sup> October 2021
Date of earliest closing of the issue, if any	Not Applicable
Pay-in Date	28 <sup>th</sup> October 2021
Deemed Date of Allotment	28 <sup>th</sup> October 2021
Issuance Mode	Dematerialized mode only
Trading Mode	Dematerialized mode only
Settlement Mode	RTGS/NEFT/Fund Transfer
Depositories	NSDL/CDSL
Disclosure of Interest/ redemption dates	28 <sup>th</sup> October 2022, 28 <sup>th</sup> October 2023 & 28 <sup>th</sup> October 2024
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 21 <sup>st</sup> May 2021
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"> <li>• Interest rate, computation of interest, payment of interest;</li> <li>• Interest on application money;</li> </ul>



	<ul style="list-style-type: none"> <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>For further details please refer the Debenture Trust Deed dated May 21, 2021.</p> <p>No side letters are executed pursuant to the said Issue.</p>
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)	<p>Secured by way of Negative Lien on the Assets(as defined under DTD), to the extent of Asset Cover(as defined under DTD), 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.</p> <p>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 (as defined under DTD), subject to maintenance of Asset Cover (as defined under DTD), except to the extent of charge created in favour of its depositors 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: May 21, 2021.</p> <p>Asset cover available as on June 30<sup>th</sup> 2021, for NCDs issued by the Corporation: 2.87</p> <p>Date of registration of charge on the security: June 1, 2021</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	Clearing Corporation Mechanism
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</p>





	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.
Conditions Precedent to Disbursement	None
Default of Payment	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.
Delay in Listing	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 5, 2020, issued by 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).
Delay in allotment of securities	As may be prescribed by SEBI
Conditions Subsequent to Disbursement	None.
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> <ul style="list-style-type: none"> <li>• Default in redemption of debentures and payment of interest;</li> <li>• Default in performance of covenants and conditions;</li> <li>• 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</li> <li>• Proceedings against the company under bankruptcy or insolvency law.</li> <li>• If the security is in jeopardy.</li> </ul> <p>For further details on Events of Default, please refer the Debenture Trust Deed dated May 21, 2021.</p>
Creation of Recovery Expense Fund	<p>As specified in SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, an amount of Rs. 25 lakh has been deposited with NSE being the designated stock exchange for creation of recovery expense fund and will be utilized in such manner and for such purposes as prescribed by the Securities Exchange Board of India. The said amount was paid on January 5, 2021</p> <p><b>SEBI Fees</b></p>



	Please note that the National Stock Exchange of India Limited is also the designated stock exchange for the purpose of payment of fees to SEBI. The said fees was paid by the Corporation on May 25, 2021.
Conditions for breach of covenants	As more particularly set out in the Debenture Trust Deed dated May 21, 2021.
Provisions related to Cross Default Clause	Not Applicable
Role and Responsibilities of Debenture Trustee and fees charged	<p>Following are certain roles and responsibilities of the Debenture Trustee:</p> <ul style="list-style-type: none"> <li>• Perform such acts as are necessary for the protection of the interest of the Debenture Holders and resolve the grievances of the Debenture Holders.</li> <li>• Follow up for redemption of Debentures in accordance with the Terms and Conditions of Debentures.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>For further details on roles and responsibilities of Debenture Trustee and fees charged, please refer the Debenture Trust Deed dated May 21, 2021 and Debenture Trustee Agreement dated May 21, 2021</p>
Risk Factors pertaining to the issue	<p><b>Internal Risks</b></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; and</li> <li>• Operational Risk: The risks that arise out of systemic issues within an organization</li> </ul> <p><b>External Risks</b></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 to the Risk Factors section in the Shelf Disclosure Document</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 Ltd
Underwriters to the Issue (if any)	Not Applicable

*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.*

#### Banking Details:

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

#### Cash flows in respect of Debenture of face value Rs.10 lakh for Series Z-006

For example, if the computed Coupon Rate is 4.71% p.a. then the cashflow would be as follows:

Cash Flows	Date	No. of days in Coupon Period	Amount ( in Rupees)
1st Coupon	Friday, 28th October 2022	365	47 100
2nd Coupon	Saturday, 28th October 2023	365	47 100
3rd Coupon	Monday, 28th October 2024	366	47 100
Principal	Monday, 28th October 2024		10 00 000
Total			11 41 300

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. Suresh Kumar* *for*

Authorised Signatories

