

Term Sheet (SERIES AA-004 Dated 8<sup>th</sup> March 2022)

|  |   |
|--|---|
| Security Name  | HDFC SERIES AA-004 10 <sup>th</sup> March 2032 ✓  |
| 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   | Please see the paragraph on 'Eligible Investors' of this Shelf Placement Memorandum. Further, 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 Shelf Placement Memorandum will be listed within 4 days from the Issue Closing Date of each series.  |
| Rating of the instrument   | "CRISIL AAA" by CRISIL Ltd<br>"ICRA AAA" by ICRA Ltd  |
| Issue Size (Rs)  | Rs. 500 cr  |
| Option to retain oversubscription (Rs)   | Rs. 9500 cr   |
| 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.   |
| In case the Issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' | Not Applicable<br>Housing Finance Companies are not permitted to facilitate resource requests of or utilization by group entities/ parent company/ associates.  |
| Coupon Rate  | 7.18% p.a. ✓  |
| Step Up/Step Down Coupon Rate  | Not Applicable ✓  |
| Coupon Payment Frequency   | Annual ✓  |
| Coupon Payment Dates   | 10 <sup>th</sup> March every year upto Redemption Date ✓  |
| Coupon Type(fixed, floating or other structure)  | Fixed ✓   |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)             | Not Applicable ✓  |
| Day Count Basis  | Actual / Actual ✓   |
| Bid Opening Date   | 8 <sup>th</sup> March 2022 ✓  |
| Bid Closing Date   | 8 <sup>th</sup> March 2022 ✓  |
| Mode of Bidding  | Closed Book ✓   |
| Manner of Allotment  | Uniform Rate ✓  |
| Interest on Application Money (NA)   | Not Applicable ✓  |
| Default Interest Rate  | In case of default in payment of Coupon and/ or redemption of the principal amount of the Debentures on the respective due dates, additional interest of at least 2% (Two Percent) per annum over and above the Coupon Rate shall be payable by the Company for the defaulting period until the defaulted amount together with the delay penalty is paid.<br><br>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.   |
| Tenor   | 10 Years ✓  |
| Redemption Date   | 10 <sup>th</sup> March 2032 ✓   |
| 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  | ₹10 lakh each   |
| Minimum Application and in multiples of thereafter  | Ten Debentures of ₹10 lakh each and in multiple of One Debenture thereafter   |
| Issue Timing  | 11:00 am to 12:00 pm ✓  |
| Issue Opening Date  | 8 <sup>th</sup> March 2022 ✓  |
| Issue Closing Date  | 8 <sup>th</sup> March 2022 ✓  |
| Date of earliest closing of the issue, if any   | Not Applicable  |
| Pay-in Date   | 10 <sup>th</sup> March 2022 ✓   |
| Deemed Date of Allotment  | 10 <sup>th</sup> March 2022 ✓   |
| Issuance Mode   | Dematerialized mode only  |
| Trading Mode  | Dematerialized mode only  |
| Settlement Mode   | RTGS/NEFT/Fund Transfer   |
| Depositories  | NSDL/CDSL   |
| Disclosure of Interest/ redemption dates  | As per the relevant Tranche Placement Memorandum  |
| 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.<br><br>For further details, please Refer "Effect on Holidays" in the Shelf Placement Memorandum dated November 23, 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> <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> For further details, please refer the Debenture Trust Deed dated November 23, 2021.<br>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> | <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, subject to maintenance of Asset Cover, 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: November 23<sup>rd</sup>, 2021.</p> <p>Asset cover available as on December 31, 2021, for NCDs issued by the Corporation: 2.88</p> <p>Security cover available as on December 31, 2021, for NCDs issued by the Corporation: 2.13</p> <p>Date of registration of charge on the security: 5<sup>th</sup> January 2022</p> <p>The Debenture holder will not be paid any interest over and above the coupon rate as specified above.</p> |
| <p>Transaction Documents</p>   | <p>Term Sheet<br/>Rating Letter<br/>Rating Rationale<br/>Trustee Consent</p>  |
| <p>Manner of Settlement</p>  | <p>Clearing Corporation Mechanism</p>   |
| <p>Other Terms (if any)</p>  | <p><b><u>Subscription by FIIs</u></b></p> <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. InIn case the Ddebentures issued to the SEBI registered Foreign Portfolio Investors (FIIs / sub-accounts of FIIsFIIs) are not listed within 15 days from the deemed date of allotmentthe SEBI mandated timelines, for any reason, then HDFC would immediately redeem / buyback the debentures from the FIIs/sub-account of the FIIsFIIs.</p> <p><b><u>Tax Deduction at Source</u></b></p> <p>Tax as applicable under the Income-tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source, as applicable. For seeking TDS exemption/lower rate of TDS, relevant certificate / document must be lodged by the debenture holders with the</p>                                     |

|  |   |
|--|---|
|  | <p>Investors Services Department of the Corporation at least 15 days before the interest becoming due for payment.</p> <p><b><u>Payment of Redemption Amount</u></b></p> <p>Payment of the redemption amount of the Debentures will be made by the Corporation to the beneficiaries as per the statement of beneficial position provided by the Depositories as on the record date. The said redemption amount of the Debentures will be credited to the bank account of the beneficiaries as stated in the statement of beneficial position provided by the Depositories. The Corporation shall not be responsible for any non-payment claimed by the Debenture holder on account of rejection of any electronic payment due to incorrect bank details stated in the said statement.</p> <p>The Corporation's liability to the Debenture holder in respect of all their rights including for payment or otherwise shall cease and stand extinguished after maturity in all events save and except the Debenture holder' s right of redemption as stated above.</p> <p>Once the redemption amount is credited to the bank account of the respective Debenture holders, as aforesaid, the liability of the Corporation shall stand extinguished.</p> |
| Conditions Precedent to Disbursement   | Not Applicable  |
| 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 Operational Circular dated August 10, 2021, 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  | Not Applicable  |
| 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 November23, 2021.</p>  |



|   |   |
|---|---|
| Creation of Recovery Expense Fund                               | As specified in SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, an amount of ₹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<br><br><b>SEBI Fees</b><br><br>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 30 <sup>th</sup> November 2021  |
| Conditions for breach of covenants                              | As more particularly set out in the Debenture Trust Deed dated November 23, 2021.   |
| Provisions related to Cross Default Clause                      | Not Applicable  |
| Role and Responsibilities of Debenture Trustee and fees charged | Following are certain roles and responsibilities of the Debenture Trustee:<br><br><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><br>For further details on roles and responsibilities of Debenture Trustee and fees charged, please refer the Debenture Trust Deed dated November 23, 2021 and Debenture Trustee Agreement dated November 23, 2021 |
| Risk Factors pertaining to the issue                            | For detailed risk factors, please refer to the Risk Factors section in the Shelf Placement Memorandum   |
| 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 Shelf Placement Memorandum in favour of Debenture Trustee, it is the duty of the Trustee to monitor that the security is maintained.. If there is any change in Interest Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Interest Rate and events which lead to such change shall be disclosed*

by the Corporation. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

**Banking Details for depositing the subscription monies:**

|                         |   |
|-------------------------|---|
| 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 ₹10 lakh for Series AA-004**

| Cash Flows              | Date                         | No. of days in Coupon Period | Amount ( in Rupees) |
|-------------------------|------------------------------|------------------------------|---------------------|
| 1 <sup>st</sup> Coupon  | Friday,<br>10 March, 2023    | 365                          | 71 800              |
| 2 <sup>nd</sup> Coupon  | Monday,<br>11 March, 2024    | 366                          | 71 800              |
| 3 <sup>rd</sup> Coupon  | Monday,<br>10 March, 2025    | 365                          | 71 800              |
| 4 <sup>th</sup> Coupon  | Tuesday,<br>10 March, 2026   | 365                          | 71 800              |
| 5 <sup>th</sup> Coupon  | Wednesday,<br>10 March, 2027 | 365                          | 71 800              |
| 6 <sup>th</sup> Coupon  | Friday,<br>10 March, 2028    | 366                          | 71 800              |
| 7 <sup>th</sup> Coupon  | Saturday,<br>10 March, 2029  | 365                          | 71 800              |
| 8 <sup>th</sup> Coupon  | Monday,<br>11 March, 2030    | 365                          | 71 800              |
| 9 <sup>th</sup> Coupon  | Monday,<br>10 March, 2031    | 365                          | 71 800              |
| 10 <sup>th</sup> Coupon | Wednesday,<br>10 March, 2032 | 366                          | 71 800              |
| Principal               | Wednesday,<br>10 March, 2032 |                              | 1,000,000           |
| Total                   |                              |                              | 17,18,000           |

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 Ranga*  
Authorized Signatories

