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**DEWAN HOUSING FINANCE CORPORATION LIMITED**

Corporate Identity No. (CIN) – L65910MH1984PLC032639

(Originally Incorporated as "Dewan Housing Finance & Leasing Company Ltd." on 11<sup>th</sup> April 1984 under the Companies Act, 1956. The name was subsequently changed to "Dewan Housing Development Finance Ltd." on the 26<sup>th</sup> September 1984 and later to "Dewan Housing Finance Corporation Ltd." on 25<sup>th</sup> August 1992.)

Registered Office: Warden House, 2<sup>nd</sup> Floor, Sir P. M. Road, Fort, Mumbai - 400 001, Maharashtra, India  
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Corporate Office : "TCG Financial Centre", 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (E),  
Mumbai -400098;

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Date: 30<sup>th</sup> October 2018

**TERM SHEET**

**for Shelf Disclosure Document dated 23<sup>rd</sup> August, 2018**

Issuer	Dewan Housing Finance Corporation Limited (the "Issuer / DHFL/ Company")
Issue Size	Rs. 750 Crores (Rupees Seven Hundred and Fifty Crores Only) Plus Greenshoe of Rs. 750 crores
Option to retain oversubscription	Yes
Type of Instrument	Secured Redeemable Rated Listed Non-Convertible Bonds in the nature of Debentures (NCD)
Nature of Instrument	Secured
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
Eligible Investors	<ul style="list-style-type: none"><li>• Scheduled Commercial Banks</li><li>• Financial Institutions</li><li>• Insurance Companies</li><li>• Primary/State/District/Central Co-operative Banks (Subject to permission from RBI)</li><li>• Regional Rural Banks</li><li>• Mutual Funds</li><li>• Provident and Pension and Gratuity Funds subject to their investment guidelines.</li></ul>

	<ul style="list-style-type: none"> <li>• Companies and Bodies Corporate including Public Sector Undertakings</li> <li>• Individuals and Hindu Undivided Families</li> <li>• Partnership Firms</li> </ul> <p>Any other investor category eligible to invest subject to current applicable rules, acts, laws etc.</p>
Objects of the Issue & Utilization of Issue Proceeds	<p>Proceeds of the issue shall be utilized for onward lending, financing and repayment/prepayment of principal and interest of existing borrowings and/or General Corporate Purposes.</p> <p>Issue proceeds will not be used for acquisition of Land or for investing in Capital Markets and for purposes not eligible for Bank Finance.</p>
Security	<p>The Debenture shall be secured by way of First Paripassu charge on the business assets of the Company with minimum asset coverage of 1.25 times of the outstanding NCDs at all times and a subservient charge over an immovable property. The security will be created in favour of the Trustees within 30 days from the date of allotment of the Debentures.</p> <p>In case of delay in execution of trust deed and creation of charge, the company will refund the subscription with agreed rate of interest, or will pay penal interest of 2% p.a. over the coupon rate till these conditions are complied with at the option of the investors.</p>
Seniority	Senior
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil
Mode of Issue	Private Placement
Listing	Proposed to be listed on the Wholesale Debt Market Segment (WDM) of Bombay Stock Exchange (BSE)
Trustees	Catalyst Trusteeship Ltd. (formerly GDA Trusteeship Ltd).
Credit Rating	CARE AAA; Stable by CARE Ratings
Credit Enhancement	Nil
Face Value	Rs. 10 Lakhs per bond
Premium on issue	Nil
Discount on issue	Nil
Issue Price	At par, Rs. 10 Lakhs per Bond
Minimum Bid Lot	Rs. 1.00 Crores
Premium on redemption	Nil

Discount on redemption	Nil
Minimum Application	10 bonds of Rs.10 Lakhs each and in multiples of 1 Bond thereafter
Tenor	3 years from the deemed date of allotment
Put Option	After 1 year and one day from deemed date of allotment and every three months thereafter
Put Option Price	At par
Put Option Date	November 3, 2019, February 2, 2020, May 2, 2020, August 2, 2020, November 2, 2020, February 2, 2021, May 2, 2021, August 2, 2021
Put Notification Time	15 days before put option date
Call Option	After 1 year and one day from deemed date of allotment and every three months thereafter
Call Option Price	At par
Call Option Date	November 3, 2019, February 2, 2020, May 2, 2020, August 2, 2020, November 2, 2020, February 2, 2021, May 2, 2021, August 2, 2021
Call Notification Time	15 days before call option date
Coupon Rate	9.88% p.a.
Redemption/ Maturity Amount	At par, Rs. 10 Lakhs per Bond
Redemption Date	November 02, 2021
Step Up Coupon Rate	Subject to Credit Rating Covenant
Step Down Coupon Rate	None
Coupon Payment Frequency	Quarterly
Effective Annualised Yield	10.25%
Coupon Payment Dates	As per appended Cash Flows
Coupon Type	Fixed
Coupon Reset	None
Day Count Basis	Actual/Actual
Issue Timing	
1. Bid Opening Date	November 01, 2018
2. Bid Closing Date	November 01, 2018
3. Issue Opening Date	November 01, 2018
4. Issue Closing Date	November 01, 2018
5. Pay-in Date	November 02, 2018 (T+1)
6. Deemed Date of Allotment	November 02, 2018

Manner of Bidding	Open Book
Mode of Allotment	Uniform
Mode of Settlement	ICCL
Interest on Application Money against which Allotment is made	At Coupon rate, i.e., 9.88% p.a.
Default Interest Rate	2% (Two percent) over and above the Coupon Rate per annum, for the defaulting period, in the event the Issuer fails to make any payments of Interest and/or principal redemption to the Debenture Holders on their respective due dates.
Settlement Mode	Payment of interest and repayment of principal shall be made by way of cheque(s)/ credit through RTGS/ Electronic Fund Transfer or any other electronic mode offered by the Banks
Pay-In of Funds	Through EBP Platform of BSE
Depositories	NSDL / CDSL
Registrar	Link Intime India Private Ltd.
Business Day/ Working Day	A "Business Day"/ "Working Day" shall be a day on which commercial banks are open for business in the city of Mumbai.
Effect of holidays	<p>If the coupon payment date falls on a day which is not a business day the payment will be made on the next business day with interest upto one day prior to the interest due date.</p> <p>However, the last coupon payment will be made with the principal redemption and business day convention followed will be that of principal repayment, i.e. paid on the previous business day. Interest will be paid upto previous day of the payment date.</p> <p>If the maturity date fall on a day which is not a business day , the redemption proceeds will be paid on the previous working day with interest upto one day prior to the payment date.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.</p>
Record Date	The Record Date shall be 15 Calendar days prior to each coupon payment date / redemption date.
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. Letter appointing Catalyst Trusteeship Ltd, as Trustees to the Bondholders;</li> <li>2. Debenture Trusteeship Agreement;</li> <li>3. Debenture Trust Deed;</li> <li>4. Rating Letter from CARE Ratings. Ltd.;</li> <li>5. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>6. Tripartite Agreement between the Issuer, Registrar and CDSL</li> </ol>

	<p>for issue of Bonds in dematerialized form;</p> <ol style="list-style-type: none"> <li>7. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>8. Application made to BSE for seeking its in-principle approval for listing of Bonds;</li> <li>9. Listing Agreement with BSE;</li> </ol>
Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. Written consent letter from Catalyst Trusteeship Ltd, conveying their consent to act as Trustees for the Bondholders;</li> <li>2. Execution of Debenture Trustee Agreement</li> <li>3. In-principle listing approval from BSE, for listing of Bonds;</li> <li>4. Rating Letter from CARE Ratings. Ltd.;</li> <li>5. Written consent letter from Link Intime India Private Ltd , conveying their consent to act as Registrar to the issue</li> <li>6. Board and Shareholders Resolution of the Issuer as required under the Companies Act 2013 for issuance of the NCDs</li> <li>7. A certified true copy of the special resolution of the shareholders of the Issuer approving the private placement of the Debentures under rule 14 (2) (a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014</li> <li>8. A certified true copy of the special resolution of the shareholders of the Issuer under section 180(1)(c) of the Companies Act, 2013 setting out the borrowing limit applicable to the Issuer</li> <li>9. Compliance with all applicable laws and regulations pertaining to the issuance of the NCD.</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> <li>1. Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies, Mumbai with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India, within a period of thirty days of circulation of the Private Placement Offer Letter;</li> <li>2. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, Chennai within thirty days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;</li> <li>3. Making listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds;</li> </ol>

	<p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in the Private Placement Offer Letter.</p>
<p>Event of Defaults</p>	<p>The Debenture Trust Deed and the Deed of Hypothecation contains an exhaustive list of events which may constitute events of default. However, an indicative list of the events of default is provided below:</p> <p>If one or more of the events specified herein (hereinafter referred to as the "Event(s) of Default") happen(s), the Trustees may, in their discretion, and shall, upon request in writing of the Owner(s)/the holders of the Debentures of an amount representing not less than three-fourth in value of the nominal amount of the Debentures for the time being outstanding or by a Special Resolution duly passed at the meeting of the Debentureholder(s) convened in accordance with the provisions set out in the Fourth Schedule hereunder written after giving a notice of 30 days in writing to the company to remedy the breach or default and if after expiry of such period the breach or default is still unremedied, by a notice in writing to the Company declare the principal of and all accrued interest on the debentures and all premium, Liquidated Damages, Fees, Costs, charges, expenses and other amounts payable by the company on all the debentures under the terms and conditions of the relative debenture issue or under this Deed to be due and payable forthwith and the security created hereunder shall become enforceable and the Trustees shall have right to enforce security and shall have the following rights (anything in these presents to the contrary notwithstanding) to enter upon and take possession of the assets of the Company and to transfer the assets of the Company by way of Issue of lease and license or sale.</p> <p><b>EVENTS OF DEFAULT:</b></p> <ul style="list-style-type: none"> <li>a) Default shall have occurred in the redemption of the Debentures as and when the same shall have become due and payable.</li> <li>b) Default shall have been committed by the Company in the payment of any installment of interest on the Debentures on due date</li> <li>c) default in performance of covenants and conditions</li> <li>d) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) by whatever means (including acceptance, credits, deposits and leasing), becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person.</li> <li>e) intentional supply of misleading information</li> <li>f) default in payment of debts</li> </ul>

	<p>g) inadequate insurance for immovable properties mortgaged as security to the trustee</p> <p>h) sale, disposal and removal of secured assets which results in security cover falling below prescribed level</p> <p>i) legal proceedings against company affecting the performance of the terms and conditions set out in this deed by issuer.</p> <p>j) The Company has voluntarily or involuntarily dissolved;</p> <p>k) If a petition for winding up of the Company shall have been admitted or if an order of a Court of competent jurisdiction is made or any special resolution has been passed by the members of the Company for the winding up of the Company otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Trustees and duly carried into effect;</p> <p>l) default in payment of debts on maturity</p> <p>m) liquidation or dissolution of company</p> <p>n) appointment of receiver or liquidator</p> <p>o) attachment or distraint on mortgaged premises</p> <p>p) extra-ordinary circumstances affecting the performance of the terms and conditions set out in this deed by issuer.</p> <p>q) company ceases to carry on business</p> <p>r) security is in jeopardy</p> <p>s) liabilities exceed the assets</p> <p>t) sick undertaking</p> <p>u) The Company creates or attempts to create any charge on the Mortgaged Premises or any part thereof without the prior approval of the Trustee</p> <p>The Events of Default shall be deemed to include the Events of Default provided in the Information Memorandum/ Disclosure Document and shall be deemed to be incorporated herein.</p> <p>As further provided in the Debenture Trust Deed and the Deed of Hypothecation.</p> <p>In the event of occurrence of any of the Events of Default as mentioned above, the entire outstanding principal amount on the NCDs (ie. redemption at par) along with other monies/accrued interest due in respect thereof shall become due for payment immediately.</p>
<p>Role and Responsibilities of Trustees</p>	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p>

Approvals	The Issuer agrees to comply with all applicable rules and regulations in respect of the transaction. The Issuer will be responsible for taking all necessary authorization and / or approvals internal, external regulatory, statutory or otherwise
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 Mumbai, Maharashtra
Covenants	<p><b><u>Credit Rating Covenants:</u></b></p> <p>In the event of a rating downgrade of the outstanding NCDs of the Company, issued in the past and under the present term sheet, by any rating agency post the issuance of debentures and at any point of time during the currency of the NCDs:</p> <p style="padding-left: 40px;">For each notch of rating downgrade ie. Rating being one notch below the rating of the Debentures as on the date immediately before such downgrade, the coupon rate would stand increased by 0.25% over and above the prevailing coupon rate immediately prior to such rating downgrade. Such enhanced coupon rate shall remain applicable from the date of rating downgrade to the residual maturity of bonds issued under this term sheet. However, issuer can repay principal (redemption at par) along with accrued interest till date of repayment within 10 working days of rating downgrade</p> <p>In the event of a rating downgrade of the outstanding NCDs of the Company, issued in the past and under the present term sheet, by any rating agency post the issuance of debentures and at any point of time during the currency of the NCDs below AA – (AA minus), the Debenture holders would reserve the right to recall the outstanding principal amount on the NCDs (ie. redemption at par) along with other monies/accrued interest due in respect thereof.</p> <p>The above right, to early redemption on credit rating downgrade, can be exercised only by the Primary Investors of the Issue.</p> <p>In the event of a suspension / withdrawal of the rating of the NCDs, issued under the present term sheet, post the issuance of debentures and at any point of time during the currency of the NCDs:</p> <p>The company shall get the Debentures rated by another credit rating agency acceptable to the Debenture holders, within a period of 90 days from the date of the suspension / withdrawal of the rating.</p>

	<p>In case any of the “Covenants” is breached and continues breached for a period of 30 days from such breach coming to notice, or such period as may be mutually agreed between all Bondholders and Issuer, the Bondholder would reserve the right to recall the outstanding principal amount on the NCDs (ie. redemption at par) along with other monies/accrued interest due in respect thereof.</p> <p>The above covenants will be applicable only in the case Investor/Debenture holders who has subscribed to the primary issuance of NCD under this term sheet.</p>
Additional Covenants	<ol style="list-style-type: none"> <li>1. Security Creation: In the event of delay in execution of Debenture Trust Deed within thirty days of Deemed Date of Allotment of the Bonds, the Company shall refund the subscription with the Coupon Rate or pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with, at the option of the Bondholders.</li> <li>2. Default in Payment: In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</li> <li>3. Delay in Listing: The Company shall make listing application to BSE within 15 days from the Deemed Date of Allotment of the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment of Bonds. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 2.00% p.a. over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</li> </ol> <p>The interest rates mentioned in above covenants shall be independent of each other.</p>
Terms and Conditions	As per Term Sheet. In case of any conflict among Transaction Documents, provisions of Term Sheet shall prevail.

**Illustrative Cash Flows per Debenture:**

<b>Cash Flows Per Debenture</b>	<b>Date</b>	<b>No. of days in Coupon Period</b>	<b>Amount (Rs.)</b>
Coupon Payment Date	Saturday, February 02, 2019	92	24,903
Coupon Payment Date	Thursday, May 02, 2019	89	24,091
Coupon Payment Date	Friday, August 02, 2019	92	24,903
Coupon Payment Date	Saturday, November 02, 2019	92	24,903
Coupon Payment Date	Sunday, February 02, 2020	92	24,835
Coupon Payment Date	Saturday, May 02, 2020	90	24,295
Coupon Payment Date	Sunday, August 02, 2020	92	24,835
Coupon Payment Date	Monday, November 02, 2020	92	24,835
Coupon Payment Date	Tuesday, February 02, 2021	92	24,903
Coupon Payment Date	Sunday, May 02, 2021	89	24,091
Coupon Payment Date	Monday, August 02, 2021	92	24,903
Coupon Payment Date	Tuesday, November 02, 2021	92	24,903
Principal	Tuesday, November 02, 2021		10,00,000

**for Dewan Housing Finance Corporation Ltd**

**Sd/-  
Authorized Signatory**

**Place : Mumbai  
Date : 30<sup>th</sup> October , 2018**