

PNB Housing Finance Limited

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

Issuer	PNB Housing Finance Ltd. ("PNBHFL"/ the "Company"/the "Issuer")
Instrument/ Security Name	Secured Redeemable Non-Convertible Debentures in the nature of promissory notes
Issue size/ Subscription Money	INR 500 Crores
Purpose	The proceeds of the Issue would be utilized by the Issuer for on-lending to grow the asset book. The end use will be in compliance with RBI guidelines for banks.
Trading Mode of the instrument	Demat only
Seniority	Senior
Mode of Issue	Private placement
Instrument Form	In Demat mode
Face Value	Rs.10,00,000/- Per Debenture
Issue Price	At Par (Rs.10,00,000/- Per Debenture)
Redemption Price	At Par (Rs.10,00,000/- Per Debenture)
Credit Rating	"CRISIL A1+" by CRISIL
Security	Secured by exclusive charge over specific retail loan book debts with minimum cover of 1.1x
Tenor	1 Year
Minimum Subscription of Debentures and in multiples	10 Debentures and in multiples of 1 Debenture thereafter
Put & Call Option	<ul style="list-style-type: none"> In case the long term rating is downgraded by more than two notches or the short term rating is downgraded or the ratings are withdrawn, the Debenture Holders will have the right to put the Debentures.
Covenants	<ul style="list-style-type: none"> Punjab National Bank to hold atleast 26% in the Issuer Net NPA not to be more than 2% Capital adequacy ratio as per applicable laws to be maintained at all times during the tenor of the Debentures
Redemption	The Debentures will be redeemed in full at par on the Maturity Date
Maturity Date/ Redemption Date/ Tenor	1 year from Deemed Date of Allotment
Interest/ Coupon Rate	8.00% p.a subject to provisions of the Transaction Documents
Interest payment	Annual
Interest payment date/ Coupon Payment Date	30 th September 2020.
Step Up/ Step Down Coupon Rate	In case the long term rating of the Issuer by any rating agency is downgraded by (minimum) two notches, the Coupon Rate will step up by 25bps.
Coupon Type	Fixed
Coupon Reset	None
Trustee	A SEBI approved Trustee shall be appointed by the company to act as Trustee for and on behalf of the holder(s) of the Debentures
Listing	Not Applicable
Issue of Debentures	The Issuer will issue the Debentures/ Letters of Allotment in dematerialized form within 2 (two) Business Days from the Deemed Date of Allotment.
Day Count Basis	Actual/ Actual 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
Interest on Application Money against which Allotment is made	To be paid to Investors at Coupon Rate from the date of realization of Subscription Money upto one day prior to the Deemed Date of Allotment. Such interest is payable within 7 (seven) business days from the Deemed Date of Allotment.
Trustee	IDBI Trusteeship Services Limited
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Registrars	Link Intime India Pvt Ltd
Settlement	Payment of Interest and repayment of Redemption Amount and Amounts Due shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand (s)/ credit through the

पंजीकृत कार्यालय: 9वीं मंजिल, अंत्रिक्ष भवन, 22, कस्तूरबा गांधी मार्ग, न्यू दिल्ली - 110001

Regd. Office: 9th Floor, Antriksh Bhawan, 22 Kasturba Gandhi Marg, New Delhi - 110 001

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CIN: L65922DL1988PLCO33856



	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 New Delhi 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 preceding business day in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.
Effect of holidays	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 preceding Business Day as per SEBI Circular 11th November 2016 (CIR/IMD/DF-1/122/2016) If the Redemption Date, also being the last Coupon Payment Date, of the Debentures falls on a day that is not a Business Day, the redemption proceeds (including interest) shall be paid by the Issuer on the immediately preceding Business Day along with the interest accrued on the Debentures until such date of redemption as per SEBI Circular 11th November 2016 (CIR/IMD/DF-1/122/2016)
Record Date	15 days prior to the Maturity Date. 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.
Investors who are eligible to apply	a) Banks, b) Mutual Funds, c) Financial Institutions, d) Insurance Corporations, e) Provident & Pension Funds, f) Corporate Investors, etc.
Investors who are not eligible to apply	a) Sovereign Wealth Funds; b) Venture Capital Funds and Foreign Venture Capital Investors; c) Overseas Corporate Bodies; d) Multilateral and Bilateral Development Financial Institutions; e) Foreign Nationals; f) Non-Resident Indians; g) Persons resident outside India; h) Minors without a guardian name; i) Person ineligible to contract under applicable statutory/ regulatory requirements.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: 1. Letter appointing IDBI Trusteeship Services Ltd. as Trustees to the Debenture Holders; 2. Debenture Trusteeship Agreement; 3. Debenture Trust Deed and/or Deed of Hypothecation and/or other Transaction Document(s); 4. Rating Agreement with CRISIL; 5. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Debentures in dematerialized form; 6. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Debentures in dematerialized form; and 7. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar.
Conditions precedent to subscription of Debentures	The subscription from Investors shall be accepted for allocation and allotment by the Issuer subject to the following: (a) Certified true copy of latest memorandum and articles of association and certificate of incorporation of the Company. (b) Certified true copy of the resolution passed by the Board of the Company for issue of Debentures on Private Placement basis u/s 42, 71, and 179, appointment of Debenture Trustee, creation of security under the Companies Act, 2013, approving that the aggregate amount non-convertible Debentures issued by the Company will be within such limit as approved by the board of directors of the Company or the quantum indicated by the credit rating agency for the rating granted, whichever is lower in terms of the NHB Directions and for the purpose of obtaining credit rating.



	<ul style="list-style-type: none"> (c) Certified true copy of the special resolution passed by the members of the Company for issue of Debentures on Private Placement basis u/s 42 of Companies Act, 2013. (d) Certified true copy of resolution of the shareholders of the Company passed in accordance with Section 180(1)(c) of the Companies Act, 2013 specifying the borrowing limit for the Company. (e) Certified true copy of resolution of the shareholders of the Company passed in accordance with Section 180(1)(a) of the Companies Act, 2013 for the purposes of creating security. (f) Certificate issued by auditor certifying that the limits stated in special resolution under Section 180(1)(c) and 180 (1)(a) of the Companies Act, 2013 and limits specified by the shareholders in their resolution passed in terms of the section 42 of the Companies Act, 2013 are not exceeded by the issue of Debentures and creation of security. (g) Certificate from the statutory auditors of the Company certifying that the Company is in compliance with eligibility criteria as set out under (a) Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014; and (b) Master Direction on Money Market Instruments: Call/Notice Money Market, Commercial Paper, Certificates of Deposit and Non-Convertible Debentures (original maturity up to one year) dated July 07, 2016 including that the Company has been sanctioned working capital limit or term loan by bank/s or all-India financial institution/s; and that the borrowal account of the Company is classified as a Standard Asset by the financing bank/s or institution/s. (h) Copy of application form by the Company, for subscription of Debentures by the Applicants. (i) Submission to the Debenture Trustee of all required documents for the purpose of satisfying its respective KYC requirements. (j) Submission to the Arranger of all required documents for the purpose of satisfying its respective KYC requirements. (k) Letter of offer and consent for appointment of Debenture Trustee to act as trustee in relation to the Debentures. (l) Letter of the Company, appointing registrar and transfer agent ("RTA") and consent letter of the RTA. (m) Rating letter obtained from the credit rating agency in compliance with applicable laws including SEBI regulations. Rating letters not being more than one month old from the issue opening date (n) Agreement entered into by the Company with the depositories registered with SEBI. (o) Execution of the Transaction Documents. (p) Certified copy of the audited financial statements of the Company for the last financial year and unaudited provisional financial statements for the current year, if applicable (q) Copy of the annual report of the Company for the latest financial year. (r) Certificate from an independent practicing-chartered accountant that the assets of the Company which form part of the security have a minimum value of 1.1x which is sufficient to meet payment of all Redemption Amounts of Debentures and all Amounts Due under the Transaction Documents. (s) Certificate from CFO of the Company confirming all representations and warranties being true, no default in any material contracts and absence of any litigations against the Company, no investigation proceeding pending against the Company, no adverse claim has been made against the Company event leading to an Event of Default.
Conditions subsequent to subscription of Debentures	<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"> 1. Maintaining a complete record of private placement offers in Form PAS-5; 2. Filing a return of allotment of Debentures with complete list of all Debenture Holders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi & Haryana within fifteen days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014; 3. Credit of demat account(s) of the Allottee(s) by number of Debentures allotted within two working days from the Deemed Date of Allotment. 4. Certified true copy of board approved policy for resource planning, inter alia, covering the planning horizon and the periodicity of private placement of the debentures.



	Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.
Representations and Warranties	Representations and Warranties to be provided by the Issuer under the Debenture Trust Deed.
Additional Covenants	Covenants and undertakings to be provided by the Issuer under the Debenture Trust Deed.
Event of Default	The Issuer commits a default in making payment of the Redemption Amount and/ or Amounts Due on the Maturity Date or other date as per the Transaction Documents. Certain other events of default to be set out under the Debenture Trust Deed.
Consequences of Events of Default	Consequences to Events of Default to be set out under the Debenture Trust Deed.
Cross Default	Not Applicable
Role and Responsibilities of Trustee	<p>The Trustee shall protect the interest of the Debenture Holders in the event of default by the Company in regard to timely payment of Interest or repayment of Redemption Amount and/ or Amounts Due and shall take necessary action at the cost of the Company. No Debenture Holder shall be entitled to proceed directly against the Company unless the Trustee, having become so bound to proceed, fail to do so.</p> <p>In pursuance of the extant provisions, it shall be the duty of the Trustee to:</p> <ul style="list-style-type: none"> (a) satisfy himself that the Private Placement Offer Letter does not contain any matter which is inconsistent with the terms of the issue of Debentures or with the Debenture Trust Deed and/or other document(s); (b) satisfy himself that the covenants in the Debenture Trust Deed and/or other document(s) are not prejudicial to the interest of the Debenture Holders; (c) call for periodical status or performance reports from the Company; (d) communicate promptly to the Debenture Holders defaults, if any, with regard to payment of interest or redemption of Debentures and action taken by the Trustee therefor; (e) appoint a nominee director on the Board of the Company in the event of: <ul style="list-style-type: none"> i. two consecutive defaults in payment of interest to the Debenture Holders; or ii. default in redemption of Debentures. (f) ensure that the Company does not commit any breach of the terms of issue of Debentures or covenants of the Debenture Trust Deed and/or other document(s) and take such reasonable steps as may be necessary to remedy any such breach; (g) inform the Debenture Holders immediately of any breach of the terms of issue of Debentures or covenants of the Debenture Trust Deed and/or other document(s); (h) ensure that the assets of the Company issuing Debentures and of the guarantors, if any, are sufficient to discharge the Interest or repayment of Redemption Amount and/ or Amounts Due at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the Debenture Holders; (i) call for reports on the utilization of funds raised by the issue of Debentures; (j) take steps to convene a meeting of the Debenture Holders as and when such meeting is required to be held; (k) ensure that the Debentures have been redeemed in accordance with the terms of the issue of Debentures; (l) report within three days from the Deemed Date of Allotment, the issuance details to the Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, Central Office, Fort, Mumbai-400 001 in the prescribed format; (m) submit to the RBI (on a quarterly basis) a report on the outstanding amounts of Debentures of maturity up to year in the prescribed format; (n) report immediately, on occurrence, full particulars of defaults in redemption of Debentures to the Financial Markets Regulation Department, Reserve Bank of India, Central Office, Fort, Mumbai - 400 001 in the prescribed format; (o) perform such acts as are necessary for the protection of the interest of the Debenture Holders and do all other acts as are necessary in order to resolve the grievances of the Debenture Holders. <p>The Trustee shall convene the meeting of all the Debenture Holders on:</p> <ul style="list-style-type: none"> (p) requisition in writing signed by Debenture Holders holding at least one-tenth in value of the Debentures for the time being outstanding;



	<p>(q) happening of any event, which constitutes a breach, default or which in the opinion of the Trustee affects the interest of the Debenture Holders.</p> <p>The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Companies Act, 2013, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Debenture Trusteeship Agreement, Debenture Trust Deed and/or other document(s), Private Placement Offer Letter and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Company shall execute the Debenture Trust Deed and/or other document(s) in Form No.SH.12 or as near thereto as possible, in favour of the Trustee within the Deemed Date of Allotment of the Debentures. In the event of delay in execution of Debenture Trust Deed and/or other document(s) within the Deemed Date of Allotment of the Debentures, 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 Debenture Holders.</p> <p>(r) The Company shall, till the redemption of the Debentures, submit its latest audited/ limited review half yearly consolidated (if available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/DEBENTURE/1/2009/11/05 dated May 11, 2009 as amended from time to time. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Debenture Holders within two working days of their specific request.</p>	
Governing Law and Jurisdiction	The Debentures 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	
Additional Covenants	<p>1. Security Creation: In the event of delay in execution of Debenture Trust Deed and/or other document(s) within the Deemed Date of Allotment of the Debentures, 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 Debenture Holder(s).</p> <p>2. Default in Payment: In case of default in payment of Interest or repayment of Redemption Amount and/ or Amounts Due on the Maturity Date, 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.</p> <p>The interest rates mentioned in above two covenants shall be independent of each other.</p>	
Other terms and conditions	<ul style="list-style-type: none"> 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 fulfill the Terms & Conditions indicated on the application form are liable to be rejected. 	
Funds Settlement	<ul style="list-style-type: none"> Successful bidders should transfer the funds on the pay-in date in the below mentioned bank account of the issuer: Account Name PNB Housing Finance Ltd Account No. 3097008700006127 Bank Name Punjab National Bank Branch Name ECE House, New Delhi IFSC Code PUNB0112000 	
Issue Schedule	Issue Opening Date	30 th September 2019
	Issue Closing Date	30 th September 2019
	Date of Earliest Closing of the Issue	30 th September 2019
	Issue Reference	Series L
	Pay-in Dates	30 th September 2019
	Deemed Date of Allotment	30 th September 2019



Cash Flow of Interest Payment ("IP") and Principal Payment (PP) for each bond for 10 years

	<i>Date</i>	<i>Amount Payable (interest per bond)</i>	<i>Amount payable (principal per bond)</i>	<i>Day</i>
<i>Issue/Allotment</i>	30-Sep-19	-	(10,00,000)	Monday
<i>1st and Final IP</i>	30-Sep-20	80,000	-	Wednesday
<i>Redemption</i>	30-Sep-20	-	10,00,000	Wednesday

For PNB Housing Finance Limited


Authorized Signatory



For PNB Housing Finance Limited


Authorized Signatory

