NCD TERM SHEET SERIES US-002

Term Sheet (SERIES US-002 Dated 2nd May 2023)

Security Name	HDFC SERIES US - 002 3rd May 2033
Issuer	Housing Development Finance Corporation Limited
Type of Instrument	Unsecured Redeemable Non-Convertible Debentures
Nature of Instrument	Unsecured
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	Whole Sale Debt Market Segment of BSE Limited and National Stock Exchange of India Limited. The Debentures issued in terms of this Shelf Placement Memorandum will be listed within 3 days from the Issue Closing Date of each series.
Rating of the instrument	"CRISIL AAA" by CRISIL Ltd "ICRA AAA" by ICRA Ltd
Issue Size (`)	Rs. 11,000 crore
Minimum Subscription	Hundred Debentures of Rs 1 lakh each
Option to retain oversubscription (`)	Rs. 4,000 crore
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 Housing Finance Companies are not permitted to facilitate resource requests of or utilization by group entities/ parent company/ associates.
Coupon Rate	7.80% p.a.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual
Coupon Payment Dates	3rd May every year up to 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	2 May 2023
Bid Closing Date	2 May 2023
Manner of Bidding	Open 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.

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	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	3rd May 2033
Redemption Amount	Rs 1,00,000/- each
Redemption Premium/Discount	Not Applicable
Issue Price	Rs 1,00,000/- 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	₹1 lakh each
Minimum Application and in multiples of thereafter	Hundred Debentures of Rs 1 lakh each and in multiple of one Debenture thereafter
Issue Timing	10:00 am to 11:00 am
Issue Opening Date	2nd May 2023
Issue Closing Date	2nd May 2023
Date of earliest closing of the issue, if any	Not Applicable
Pay-in Date	3rd May 2023
Deemed Date of Allotment	3rd May 2023
Issuance Mode	Dematerialized mode only
Trading Mode	Dematerialized mode only
Settlement Mode	RTGS/NEFT/Fund Transfer
Settlement Cycle	T+1
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. For further details, please Refer “Effect on Holidays” in the Shelf Placement Memorandum dated April 11, 2023
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: • Interest rate, computation of interest, payment of interest; • Interest on application money; • Business day, record date; • Redemption, payment of redemption amount;

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	• Listing and Rating; and • Mode of transfer of NCDs. For further details, please refer the Debenture Trust Deed dated April 11, 2023. No side letters are executed pursuant to the said Issue.
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 Placement Memorandum)	Not applicable. The Debentures are unsecured.
The offer will be subject to the Proposed Transaction	Notwithstanding anything contained to the contrary in any of the Transaction Documents or any connected or related documents, and without any further act, deed or writing on the part of any person: (a) the Debentures and the Transaction Documents shall be subject to the provisions of the Scheme; (b) none of the Corporation, HDFC Bank Limited, the Debenture Trustee, any authorities, registrars, depositories, depository participants, stock exchanges, other intermediaries, etc., shall need to obtain any consent, approval, no-objection from or make any intimation to any of the Debenture Holders and/or the Debenture Trustee, for the Scheme and/or the Proposed Transaction, Provided however that if any such consent, etc. is required in terms of any Applicable Law or otherwise deemed necessary, then the same is hereby deemed to have been given by the Debenture Holders and the Debenture Trustee merely by the act of subscription to the Debentures or accepting the relevant Transaction Documents. Further, provided that the deemed consent is within the parameters of the scheme; (c) any changes, modifications, amendments, as may be required to be made to the Debentures or the structure or the terms and conditions thereof, due to the proposed transfer of the business of the Corporation to HDFC Bank Limited upon the Scheme becoming effective, including but not limited to by reason of the difference in regulatory or statutory regimes applicable to housing finance companies and banks, shall be deemed to be have been made automatically merely by virtue of the Scheme becoming effective; and neither the Corporation nor HDFC Bank Limited shall need any consent or approval or no objection of or intimation to any of the Debenture Holders or the Debenture Trustee for any such changes, etc. The Debenture Holders and Debenture Trustee shall be bound to extend any support including signing, execution, performance of any documents, any acts, deeds or writing, as may be deemed necessary by the Corporation or HDFC Bank

	Limited in this regard. Further, in this regard, the Debenture Trustee shall not need any consent or approval of or no objection of or intimation to any of the Debenture Holders, for undertaking or delivering or signing, executing, performing any such act, deed or writing or taking any steps as may be deemed necessary by the Corporation or HDFC Bank Limited; Provided that such changes are not in contravention of then applicable laws and regulations. (d) none of the Corporation, HDFC Bank and the Debenture Trustee, any authorities, registrars, depositories, depository participants, stock exchanges, other intermediaries, etc., shall need to obtain any consent, approval, no-objection from or make any intimation to any of the Debenture Holders and/or the Debenture Trustee, for any procedural requirements that may be required to be followed or carried out due to the changein, ISIN, etc., due to the proposed transfer of the business of the Corporation to HDFC Bank Limited upon the Scheme becoming effective; (e) any changes or deemed changes, due to the Scheme, to the Debentures, structure or terms or conditions thereof or any Transaction Documents and any acts or omissions in relation to any clauses of the Transaction Documents or covenants which are amended or deemed amended by virtue of the Scheme or the Proposed Transaction, shall not be treated as Event of Default under or for any of the Transaction Documents. (f) forthwith upon the coming into effect of the Scheme the Transaction Documents shall be deemed to be amended to the above extent and effect.
Transaction Documents	Term Sheet Rating Letter Rating Rationale Trustee Consent Debenture Trusteeship Agreement; Debenture Trust Deed; This Shelf Placement Memorandum (PM); Any other document as required by Debenture Trustee.
Manner of Settlement	Clearing Corporation Mechanism
Other Terms (if any)	<u>**Subscription by FPIs**</u> 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 Foreign Portfolio Investors (FIIs / sub-accounts of FIIs /FPIs) are not listed within 15 days from the deemed date of allotment the SEBI mandated timelines, for any reason, then HDFC would immediately redeem / buyback the debentures from the FIIs/sub-account of the FIIs /FPIs.

	Tax Deduction at Source 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 the Corporation at least 15 days before the interest becoming due for payment. **Payment of Redemption Amount** 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. 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. 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.
Conditions Precedent to Disbursement	As per the relevant Tranche Placement Memorandum
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	As per the relevant Tranche Placement Memorandum
Events of Default (including manner of voting/conditions for joining inter creditor agreement)	Following are certain events/circumstances which can be an Event of Default: • 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 Corporation to the Debenture Holder(s) for financial

	assistance by way of subscription to the Debentures; and • Proceedings against the Corporation under bankruptcy or insolvency law. • The Debenture Trustee in terms of the Standardisation of procedure to be followed by Debenture Trustee(s) in case of'Default'by Issuers of listed debt securities issued on October 13, 2020 shall follow the process as prescribed in the same the including seeking consent from the investors for enforcement of security and/or entering into an Inter-Creditor Agreement For further details on Events of Default, please refer the Debenture Trust Deed dated April 11, 2023.
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 **SEBI Fees** 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 21st April 2023
Conditions for breach of covenants	As more particularly set out in the Debenture Trust Deed dated April 11, 2023.
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: • 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. • In case the Corporation 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. For further details on roles and responsibilities of Debenture Trustee and fees charged, please refer the Debenture Trust Deed dated April 11, 2023 and Debenture Trustee Agreement dated April 11, 2023

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:

a) *If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed by the Corporation.*

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

Note: The principal and Interest amount of the Debentures is unsecured. The recovery of 100% of the amount of the Debentures shall depend on the market scenario prevalent at the time of enforcement.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	ICCLEB
Name of the Beneficiary	Indian Clearing Corporation Limited

Cash flows in respect of Debenture of face value ₹1 lakh for Series US-002

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
1st Coupon	Friday, 03 May, 2024	366	7 800
2nd Coupon	Saturday, 03 May, 2025	365	7 800
3rd Coupon	Monday, 04 May, 2026	365	7 800
4th Coupon	Monday, 03 May, 2027	365	7 800
5th Coupon	Wednesday, 03 May, 2028	366	7 800
6th Coupon	Thursday, 03 May, 2029	365	7 800
7th Coupon	Friday, 03 May, 2030	365	7 800
8th Coupon	Saturday, 03 May, 2031	365	7 800
9th Coupon	Monday, 03 May, 2032	366	7 800

10th Coupon	Tuesday, 03 May, 2033	365	7 800
Principal	Tuesday, 03 May, 2033		1 00 000
Total			1 78 000

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 SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, 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,

Authorized Signatories