

## DHFL NCD to open on May 22, offers up to 9.10%

Floating interest rate NCD benchmarked to overnight MIBOR



Dewan Housing Finance, one of India's leading private sector housing finance companies registered with National Housing Bank (NHB), proposes to open on May 22, 2018, a public issue of up to 12 crore secured redeemable non-convertible debentures ("NCD") of face value of Rs 1,000 each, for an amount of Rs 3,000 crore with an option to retain oversubscription of up to Rs 9,000 crore aggregating up to Rs 12,000 crore.

The issue is being offered by way of the Tranche 1 Prospectus dated May 14, 2018, containing, inter alia, the terms and conditions of this Tranche 1 Issue.

The issue is scheduled to close on June 4, 2018 with an option of early closure or extension as decided by the Board of Directors of the Company or the NCD public issue committee.

**The NCDs proposed to be issued have been rated 'CARE AAA; Stable for an amount up to Rs 15,000 crore, by CARE Ratings ("CARE") vide their letter dated April 27, 2018 and 'BWR AAA (Pronounced as BWR Triple A), Outlook: Stable' (for an**

**amount upto Rs 15,000 crore, by Brickwork Ratings India Private Limited ("Brickwork") vide their letter dated April 27, 2018.**

**The rating of CARE AAA; Stable by CARE and BWR AAA, Outlook: Stable' by Brickwork indicate that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.**

"Over the last few years, DHFL has been reporting high growth in an increasingly competitive landscape. These are exciting times for DHFL as it strengthens its commitment to actively expand financial inclusion across India and provide greater impetus to the Government's mission of Housing for All by 2022. The launch of DHFL's third public issue NCD at this critical phase of growth is set to provide a strong thrust to the company's growth plans as we progress towards the next phase of high growth. It also allows us to diversify our borrowing portfolio," said Kapil Wadhawan, Chairman and Managing Director, DHFL.

In line with DHFL's efforts to always bring value-addition to its stakeholders, the company has introduced a floater rate NCD which is benchmarked to Overnight MIBOR. Investors in MIBOR linked NCDs will receive interest based on Overnight MIBOR rate published by FBIL compounded daily and payable annually.

"We are also offering an attractive interest rate of upto 9.10% p.a., one-time additional incentive of upto 1.00% to initial subscribers on maturity and an additional interest of 0.10% p.a for senior citizens. Backed by strong stakeholder trust and our unwavering commitment towards enabling affordable housing dreams, I am confident that DHFL will once again report yet another successful NCD issuance to achieve its ambitious growth plans," he said.

The minimum application amount is Rs 000 collectively across all options on NCDs and in multiples of One (1) NCD after the minimum application. Allotment is on a first-come-first-serve basis (except on the date of oversubscription, if any, when all the investors applying on the said date will get allotment on a proportionate basis). Investors have an option to apply for NCDs in dematerialized as well as in physical form.

### Issue Structure:

- In Series I, the tenor is 3 years and the frequency of coupon payment is annual; the coupon rate for Category I, Category II, Category III and Category IV investors is 8.90%; effective yield for all the categories is 8.90%.
- In Series II, the tenor is 5 years and the frequency of coupon payment is annual; the coupon rate for Category I

& Category II investors is 8.90%; the coupon rate for Category III & Category IV investors is 9.00%; effective yield for Category I & Category II investors is 8.90%; effective yield for Category III & Category IV investors is 9.00%.

- In Series III, the tenor is 7 years and the frequency of coupon payment is annual; the coupon rate for Category I & Category II investors is 8.90%; the coupon rate for Category III & Category IV investors is 9.00%; effective yield for Category I & Category II investors is 8.90%; effective yield for Category III & Category IV investors is 9.00%.
- In Series IV, the tenor is 10 years and the frequency of coupon payment is annual; the coupon rate for Category I & Category II investors is 8.90%; the coupon rate for Category III is 9.00% & for Category IV investors is 9.10%; effective yield for Category I & Category II investors is 8.90%; effective yield for Category III is 9.00% & Category IV investors is 9.10%.
- In Series V, the tenor is 3 years and the frequency of coupon payment is monthly; the coupon rate for Category I, Category II Category III and Category IV investors is 8.56%; effective yield for all categories of investors is 8.90%.
- In Series VI, the tenor is 5 years and the frequency of coupon payment is monthly; the coupon rate for Category I & Category II investors is 8.56%; the coupon rate for Category III & Category IV investors is 8.65%; effective yield for Category I & Category II investors is 8.90%; effective

yield for Category III & Category IV investors is 9.00%.

#### **Floating Interest Rate NCD**

In Series VII, the tenor is 3 years and the coupon rate is Benchmark MIBOR plus spread of 2.16%. Benchmark MIBOR is the Reference Overnight MIBOR published by FBIL computed on an annualised basis and is subject to reset annually based on Overnight MIBOR benchmark rates.

Floating interest rate payable at the end of 1st year will be Benchmark MIBOR for the relevant Calculation Period plus applicable fixed spread of 2.16%. As an example, Overnight MIBOR of 6.01% compounded on an annualised basis is 6.19%. This will be computed again for the relevant Calculation Period for 1st, 2nd and 3rd Interest Payment Dates.

#### **Benefits to senior citizens**

Category III and Category IV Investors in the proposed Tranche 1 Issue who are senior citizens on the Deemed Date of Allotment shall be eligible for an additional interest rate of 0.10% p.a. provided the NCDs issued under the proposed Tranche 1 Issue are continued to be held by such investors under Category III and Category IV on the relevant Record Date applicable for payment of respective coupons. This incentive shall be applicable on an amount not exceeding initial subscription amount.

#### **Additional Incentive**

Category III and Category IV Investors in the proposed Tranche 1 Issue, who are initial allottees as on the Deemed Date of

Allotment, shall be eligible for a one-time additional incentive of 0.50%, 0.70%, 1.00% and 0.50% for Series II, Series III, Series IV and Series VI respectively, payable along with last interest payment, provided the NCDs under Series II, Series III, Series IV and Series VI, as applicable, are held by such investors under Category III and Category IV on the relevant Record Date, for all interest payments including the last interest payment. This incentive shall be applicable on an amount not exceeding initial subscription amount.

[Category IV Investors (Retail Individual Investors) are defined as Resident Indian individuals and HUFs through the Karta applying for an amount aggregating for an amount up to and including Rs. 10 lakh, across all Series of NCDs. Category III Investors (High Net-worth Individuals or HNIs) Investors are Resident Indian individuals and HUFs through the Karta applying for an amount above Rs. 10 lakh, across all Series of NCDs].

At least 75% of the net proceeds of the Public Issue of NCDs will be used for the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company. A maximum of up to 25% will be used for general corporate purposes.

The NCDs offered through this Shelf Prospectus Tranches I Prospectus are proposed to be listed on the National Stock Exchange of India and BSE, where BSE is the designated stock exchange.