

RATING AGREEMENT FOR Deposits under Rural Housing Fund and under Urban Housing Fund

Ref: DP/NHB/2017/CDEL72
 Date: March 22, 2017

National Housing Bank
 Core 5-A, 3rd Floor
 India Habitat Centre
 Lodhi Road
 New Delhi – 110 003

Kind Attn: Mr. K. Chakravarthy
 General Manager

Dear Sir,

Re: Your request for CRISIL rating for Rs.9000 crore of Deposits under Rural Housing Fund and under Urban Housing Fund of National Housing Bank issued or proposed to be issued by you (“Securities”).

This letter (“Agreement”) sets out the terms and conditions that apply to rating by CRISIL Limited (“CRISIL” or “we”) of the Securities referred to above issued/to be issued by the entity named above (“you”).

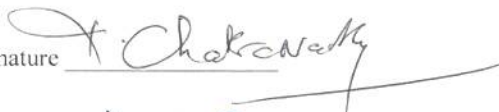
A. ASSIGNMENT OF THE RATING

- (i) On receiving the Rating Fee (mentioned in paragraph ‘H’ below) and the required information from you, CRISIL shall, after due consideration, assign in respect of the Securities an initial Rating along with outlook (if applicable) or any other appropriate view. The Rating assigned by CRISIL reflects its current opinion of your financial ability to meet, in a timely manner, your payment obligations against the Securities and does not constitute an audit of you by CRISIL or CRISIL’s view as an ‘expert’ under any law or regulation (and you may not name CRISIL as such).

In this Agreement, unless opposed to the context: (a) “initial Rating” refers to the initial rating assigned by CRISIL to the Securities; and (b) “Rating” refers to all ratings (and any changes to them) assigned by CRISIL under this Agreement.

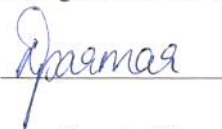
- (ii) CRISIL’s Rating is based on the information provided to CRISIL by you and/or obtained by CRISIL from sources it considers reliable (including but not limited to Stock Exchanges /Depositories/ Regulators/ Government Bodies/ Banks). CRISIL does not guarantee the completeness or accuracy of the information on which the Rating is based. A CRISIL Rating is not a recommendation to sanction / continue / reduce / recall the rated Securities or to buy, sell or hold any securities/instrument issued by you.
- (iii) You understand that the Rating is assigned by CRISIL taking a professional view of the relevant information (including information provided by you), in line with the rating criteria, rating process / policies, methodology made available by CRISIL on its web site. No one is authorised to directly or indirectly give you any promise or assurance that you will get a specific Rating, in advance of CRISIL’s professional rating committee assigning the rating. You acknowledge that you have received no such promise or assurance.
- (iv) CRISIL is registered with the Securities and Exchange Board of India (“SEBI”) as a credit rating agency and the Rating provided under this Agreement is subject to applicable regulations and laws

Client Signature



के. चक्रवर्ती / K. Chakravarthy
 महाप्रबंधक / General Manager

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CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363

and any amendments thereto from time to time, including but not limited to SEBI (Credit Rating Agencies) Regulations, 1999 and subsequent amendments from time to time..

B. ACCEPTANCE / NON-ACCEPTANCE OF THE RATING

- (i) After the assigned initial Rating on the Securities is communicated to you by CRISIL, you will promptly inform CRISIL in writing your decision of your acceptance or non-acceptance of the initial Rating assigned and provide any written confirmations or representations as may be required by CRISIL. CRISIL will deem the rating to be unaccepted, in case you do not inform CRISIL about your decision even after 60 days from the date of the rating being communicated to you. CRISIL will also reserve the right to deem the rating to be unaccepted before the completion of 60 days if the rating on the Securities of your company is published by any other rating agency. Once you have accepted an initial rating assigned, the option to accept or not to accept will not be applicable in respect of any subsequent revisions or changes to the Rating.
- (ii) An unaccepted initial Rating shall be disclosed and CRISIL will publish on its website the name of the issuer, name/ type of the rated securities, size of the issue, rating and outlook assigned and any other details as required by regulations applicable to CRISIL. CRISIL shall be under no obligation to provide surveillance on an unaccepted rating. An unaccepted Rating shall not be used for any purpose by you or by any of your affiliates / subsidiaries in any manner whatsoever except for the purpose of disclosures under applicable laws and regulations. An unaccepted initial Rating can be converted to an accepted initial Rating at any time before the expiry of 390 (three hundred and ninety) calendar days from the date of this Agreement, subject to revalidation. Additional Rating Fee may apply if the size and/or structure of the Securities have changed during this 390-day period and/or if your request for conversion into an accepted initial Rating is received after the said 390-day period.

C. DISSEMINATION OF THE RATING

- (i) Once the initial Rating notified is accepted by you, CRISIL shall inform you in writing and shall publicly disseminate the following:
 - a) Rating;
 - b) Rating Rationale;
 - c) Subsequent changes in the Rating or any rating action;
 - d) Withdrawal of the Rating and Rationale for the same;
 - e) Details required under CRA regulations, where the review became due but was not completed within applicable timelines.
- (ii) The methods of public dissemination used by CRISIL may include press releases, websites, etc. CRISIL will keep the accepted Ratings under surveillance as required by applicable regulations.
- (iii) CRISIL may disclose all or any of the Ratings assigned to the Securities, the rationale for the Rating and any information (including confidential information) received from you by CRISIL, if required or requested for by a government, statutory, judiciary, regulatory or other authority under any law.
- (iv) You agree to disclose the history and status (non-cooperation, non-payment of fees etc.) of previous rating relation with the earlier CRA(s) for all instruments and facilities, to CRISIL along with reasons for non- cooperation,, etc. if applicable. CRISIL may disseminate such information on its website including disclosure of the aspect of non-co-operation and reasons for the same in its press release/rating rationale.
- (v) CRISIL encourages you to publicly disclose all relevant information regarding the Securities so that investors and other market participants can use it as appropriate.

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D. USE OF RATING

After your acceptance of the initial Rating, you may use the Rating assigned by CRISIL for the sole purpose for which the Rating was requested by you and assigned by CRISIL and subject to the terms of this Agreement. The Rating should not be used for any other purpose by you or by any of your associates / subsidiaries in any other manner whatsoever.

E. TENURE OF THE AGREEMENT

This Agreement is valid till the accepted Rating on the Securities is withdrawn as permitted by this Agreement and applicable laws and regulations. This Agreement cannot be terminated by you once the initial Rating is assigned and accepted by you. CRISIL may terminate this Agreement including for reasons where CRISIL is not able to assign the initial Rating within 390 days from the date of this Agreement due to your not having provided to CRISIL the information and documents as required under this Agreement which is/are timely, true, accurate and complete in quality and content.

F. CHANGES IN THE RATING

- (i) Once the initial Rating is accepted by you, CRISIL will keep the Rating under review. Consequently (and in addition to CRISIL's rights under the rest of this paragraph F), as part of the review process or if CRISIL is of the opinion that circumstances justify, CRISIL may reaffirm, upgrade or downgrade the Rating; change the outlook; place the rating on rating watch (where applicable with positive, negative, or developing implications) or remove it from rating watch, or may take such necessary rating action; in each case CRISIL would inform its decision to you, which shall be binding. The final decision as to the Rating, the rating criteria, process, methodology or manner of determination of the Rating shall rest with CRISIL, subject to applicable regulations.
- (ii) Where despite CRISIL requests you have not provided information or cooperated with CRISIL in each case as required under this Agreement or circumstances justify, CRISIL may under intimation to you or take such other actions (including termination of the Agreement) as it considers appropriate with respect to the Rating assigned to the Securities, subject to applicable regulations.
- (iii) Subject to laws applicable at the time of suspension, CRISIL may, without reference to you, unilaterally suspend the Rating of the Securities or terminate the Agreement, if:
 - (a) CRISIL is ordered to do so by any order or requirement of any government, statutory, judiciary, regulatory or other authority; and
 - (b) CRISIL is of the opinion that circumstances warrant suspension of the Rating or termination of the Agreement.

G. WITHDRAWAL OF THE RATING

You agree that CRISIL rating may be withdrawn in accordance with CRISIL's policies available on its website www.crisil.com and laws applicable at the time of such withdrawal, which shall be binding on you.

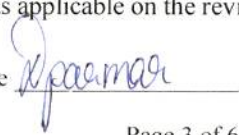
H. NON REFUNDABLE RATING FEE

- (i) The rating fee for the proposed rating assignment is Rs.11,000/- (Eleven Thousand Only plus applicable service tax and other taxes and statutory levies as applicable ("Rating Fee"). Where clause B(ii) applies, the provisions in this clause H shall apply for any additional Rating Fee.
- (ii) The Rating Fee paid by you will provide for the rating and surveillance process for up to 390 (three hundred ninety) days from the date of this Agreement.
- (iii) The annual surveillance fee shall be of Rs.11,000/- (Eleven Thousand Only) per annum; plus service tax and other taxes and statutory levies as applicable from time to time ("Annual Surveillance Fee"). The Annual Surveillance Fee may be revised by CRISIL at any stage, which, shall be computed at the then prevailing scale. The service tax and other taxes and statutory levies as applicable on the revised

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 के. चक्रवर्ती / K. Chakravarty
 महाप्रबंधक / General Manager

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Annual Surveillance Fee shall be paid by you additionally. The Annual Surveillance Fee (for all accepted ratings) is also payable in advance and is chargeable from the 391st day of entering into this Agreement, notwithstanding the date of acceptance of the Rating by you.

- (iv) Travel and other out-of-pocket expenses that CRISIL may incur in this connection will be payable by you separately.
- (v) All fees under this Clause 'H' are non-refundable and are payable in advance /immediately upon receipt of our invoice. If our Fees are not paid in full within 15 calendar days of receipt of our invoice, we may apply interest @ 1.5% per month on the outstanding amounts.
- (vi) Notwithstanding there being no change or there being an upward / downward revision in the Rating or outlook or revalidation of the Rating of the Securities, you agree and undertake to pay the Annual Surveillance Fee, as stated earlier, till the Rating is withdrawn by CRISIL under the circumstances stated earlier in the Agreement.
- (vii) You may deduct income tax at source from its payment of fees and charges under this Agreement at the lowest rate required for you to comply with applicable tax laws ("TDS"), provided that in the case of each TDS you provide CRISIL in a timely manner with a properly rendered certificate or other documentation required under law in evidence of your having deposited the TDS into government treasury ("TDS Certificate"). If you do not provide such TDS Certificate in a timely manner and as required under law, you shall pay CRISIL such amount as would after TDS be equivalent to the amount of the TDS Certificate not so provided by you.

I. STRUCTURE OF THE SECURITIES

CRISIL, or its subsidiaries, will not play any role in providing consultancy or advisory services regarding the design of the Securities.

J. DOCUMENTATION

On your accepting the terms and conditions of the Agreement you are requested to forward to CRISIL the following:

- (i) Audited annual accounts of the last five years of your Company;
- (ii) Financial projections for the next three years with relevant assumptions;
- (iii) Year to Date financials (from April 1 till date);
- (iv) Details of the instrument/securities to be rated;
- (v) Details of any default / delay in meeting your debt obligations in the past.
- (vi) Any other information/ documents required by CRISIL for assigning the Rating

K. UNDERTAKINGS

You agree and undertake to do the following:

- (i) Comply with all applicable laws and regulations including, without limitation, SEBI Regulations/Notifications/Guidelines etc. and that of any other statutory/ regulatory authority, as may be applicable from time to time. Without limiting the generality of the forgoing, you shall comply with the requirements of:
 - (a) obtaining rating for the issue of the Securities in accordance with the relevant regulations;
 - (b) disclosing in your Offer Document, the rating assigned to your securities by any credit rating agency during the last three years, and any rating given in respect of your securities by any credit rating agency, which has not been accepted by you under SEBI (Credit Rating Agencies) Regulation, 1999.

Client Signature

K. Chakravarty

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 महाप्रबंधक / General Manager



- (c) co-operating with and submitting correct and adequate information to CRISIL under SEBI (Listing obligations and Disclosure Requirements), 2015, where applicable.

CRISIL shall in no way be responsible and/or liable for any breach and/or non-compliance by you.

- (ii) Simultaneously provide to CRISIL, all periodic information that your company submits to the stock exchange/s under the Listing Agreement.
- (iii) Provide CRISIL with the details of the Securities as required by CRISIL and promptly inform CRISIL in writing of any changes in the features of the Securities.
- (iv) Arrange for meetings of CRISIL's representatives, whenever required by them, with your management / bankers/statutory auditors/trustees/investor representatives.
- (v) Co-operate with CRISIL in order to enable CRISIL to conduct ongoing reviews of the Rating assigned by CRISIL to the Securities during the life of the rated Securities and in particular provide to CRISIL true, adequate and timely information for this purpose.
- (vi) Provide all the information and documents required by CRISIL, which is/are timely, true, accurate and complete in quality and content.
- (vii) Promptly inform CRISIL, in writing, details about delays or defaults in meeting the repayment obligations on the Securities during the tenure of this Agreement.

L. CONFIDENTIALITY

Save and except as provided in paragraph C above, all information supplied by you to CRISIL for the purpose of this Agreement, which is non-public in nature, shall not be disclosed by CRISIL to any third party, except where such disclosure is required or permitted under any law for the time being in force. CRISIL may share the information (including but not limited to confidential information) with its consultants, advisors, experts on a need to know basis for the purpose of performing the obligations under this Agreement.

M. INDEMNIFICATION

Notwithstanding anything to the contrary mentioned in this Agreement, you agree and undertake to indemnify CRISIL, its Directors, Rating Committee members, officers and employees, against all or any costs, losses, damages, including but not limited to attorney's or consultant's fees paid/incurred by reason of rating the Securities under this Agreement including as a result of any false, inaccurate or misleading information of any nature, provided by you to CRISIL, on which CRISIL may have relied in any manner while assigning the Rating.

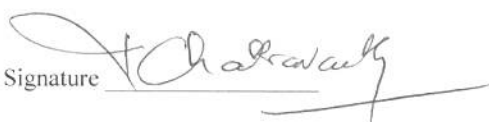
N. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the laws of India. The parties to this Agreement hereby agree that for the purpose of this Agreement, if any dispute arises with respect to and/or in connection with any Rating assigned, change in Rating, the rationale for the Rating and/or the terms and conditions and/or interpretation of this Agreement, the courts of Mumbai alone shall have jurisdiction in the matter.

O. SURVIVAL CLAUSE

All terms that by their nature should survive the termination or expiration of the agreement shall survive including any right which a party may have under the applicable laws and regulations.

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के. चक्रवर्ती / K. Chakravarthy
महाप्रबंधक / General Manager

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Please return to us this Agreement duly signed by you in acceptance hereof along with your Cheque / DD for the Rating Fee and the documents as required above, retaining a copy for your record.

For and on behalf of CRISIL Limited



Name: Dolly Parmar
Designation: Regional Manager - Business Development
Date: March 22, 2017

Confirmed, agreed and accepted:

For and on behalf of **National Housing Bank**



Name: K. Chakravarthy
Designation: General manager
Date: 29th March, 2017



Company PAN No. AABCN2600H

Company TAN No. DELN05500F

Encl: Cheque/Demand Draft No. _____ dated _____ for Rs. _____
(Rupees _____)
representing the Rating Fee.

Client Signature _____

CRISIL Signature _____