



**PRIVATE PLACEMENT OFFER LETTER FOR PRIVATE PLACEMENT OF BONDS
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**

(A Government of India Enterprise).

CIN: L74899DL1970GOI005276

(Previously named as Housing And Urban Development Finance Corporation Private Limited)

Registered /Corporate office: HUDCO Bhawan, Core 7A, India Habitat Centre, Lodhi Road, New Delhi - 110003

Compliance Officer: Mr. Harish Kumar Sharma, Company Secretary; Telephone: +91 11 2464 6899; Facsimile: +91 11 2461 5534

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PRIVATE PLACEMENT OF UNSECURED, REDEEMABLE, NON-CONVERTIBLE, NON-CUMULATIVE TAXABLE 2017 HUDCO BONDS (SERIES G) IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS.10,00,000 EACH FOR AN AMOUNT AGGREGATING UPTO RS.200 CRORE PLUS GREEN SHOE OPTION TO RETAIN OVER SUBSCRIPTION UPTO RS. 260 CRORE (TOTAL ISSUE SIZE BEING RS. 460 CRORE)

PRIVATE PLACEMENT OFFER LETTER ISSUED IN CONFORMITY WITH FORM PAS-4 PRESCRIBED UNDER SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LADNRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012, AS AMENDED, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2014 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2013-14/43/207 DATED JANUARY 31, 2014, NOTIFICATION NO. NHB.HFC.NCD-DIR.1/CMD/2014 ISSUED BY NATIONAL HOUSING BANK (NHB) ON ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS DATED MARCH 19, 2014, AS AMENDED VIDE NHB NOTIFICATION NO. NHB.HFC.NCD-DIR.2/CMD/2015 DATED MARCH 13, 2015 AND NHB.HFC.NCD-DIR.3/MD&CEO/2016 DATED FEBRUARY 9, 2016.

HUDCO's **Credit Rating** for the proposed bond issue is affirmed at 'IND AAA' by India Ratings and Research Private Limited (Fitch Group) ("IRRPL") with Stable outlook, '[ICRA] AAA' (Stable) by ICRA Ratings and 'CARE AAA' (Stable) by CARE Ratings. Instruments with this rating are considered to offer highest safety for timely servicing of debt obligations and carry lowest credit risk.

LISTING

The Bonds are proposed to be listed on Wholesale debt market ("WDM") segment of the BSE Limited ("BSE") BSE Limited has given its 'in-principle' approval to the Company vide its letter bearing no. DCS/COMP/TV/IP-PPDI/1293/17-18 dated 26.03.2018. For copy of the said 'in-principle' approval letter, please see "*Annexure - In Principle Listing Approval*" of this Private Placement Offer Letter.

CREDIT RATING AGENCIES				
INDIA RATINGS AND RESEARCH PRIVATE LIMITED (formerly Fitch Ratings India Private Ltd.) Wockhardt Tower, Level 4, West Wing, BandraCurla Complex, Bandra (E), Mumbai- 400 051 Telephone: +91 22 45333200. 23716199 Facsimile: +91 22 45333238, 23318701 Email:shrikant.dev@indiaratings.co.in Website: www.indiaratings.co.in Contact Person:ShrikantDev SEBI Registration No.: IN/CRA/002/1999		ICRA Ltd. Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon- 122002 Telephone +91-124-4545300 Facsimile; +91-124-4050424 Email: info@icraindia.com Website: www.icra.in Contact Person: Mr. Vivek Mathur SEBI Registration No.: IN/CRA/008/2015		CREDIT ANALYSIS AND RESEARCH LT.D. (CARE) B-47, 3 rd Floor, Inner Circle, Connaught Place, New Delhi-110001 Telephone: +91 11 45333200. 23716199 Facsimile: +91 11 45333238, 23318701 Email: abhinav.sharma@careratings.com Website: www.careratings.com Contact Person: Abhinav Sharma SEBI Registration No. IN/CRA/004/1999
TRUSTEE FOR THE BONDHOLDERS			REGISTRAR TO THE ISSUE	
 SBICAP Trustee Company Ltd. SBICAP TRUSTEE COMPANY LIMITED 8, KhetanBhavan, 5 th Floor, 198, J. Tata Road, Churchgate Mumbai 400 020, India Telephone: +91 22 4302 5555 Facsimile: +91 22 4302 5500 Email: corporate@sbicaptrustee.com Investor Grievance Email: investor.cell@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Mr. Ajit Joshi SEBI Registration No.: IND000000536			 BEETAL BEETAL Financial & Computer Services Pvt Ltd. BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Telephone: +911 29961281-83 Facsimile +91 29961284 Email:beetalrta@gmail.com Investor Grievance Email:beetalrta@gmail.com Website:www. beetalfinancial.com Contact Person:Puneet Mittal SEBI Registration No.: INR000000262	
ARRANGERS TO THE ISSUE				
Axis Bank Ltd.			ICICI Bank Ltd.	
Trust Investment Advisors Pvt. Ltd.				
ISSUE PROGRAMME*	ISSUE OPENS ON	27.03.2018	ISSUE CLOSES ON	27.03.2018

* The issuer reserves its sole and absolute right to modify (prepone/ postpone) the above issue schedule without giving any reasons or prior notice.

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I. DISCLAIMER:**GENERAL DISCLAIMER**

This Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Form PAS-4 prescribed under section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular n. LAD-NRO/GN/2012-13/19/5392 date October 12, 2012, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended, notification No. NHB.HFC.NCD-DIR.1/CMD/2014 issued by National Housing Bank (NHB) on issuance of non-convertible debentures on private placement basis, as amended vide NHB Notification No. NHB.HFC.NCD-DIR/2/CMD/2015 dated March 13, 2015 and NHB Notification No. NHB.HFC.NCD-DIR/15/CMD/2015 dated March 13, 2015 (Not applicable in case of Tax exempt Bonds). This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by (the "Issuer"/ the "Housing and Urban Development Corporation Limited (HUDCO)"/("the Company") The document is for the exclusive use of the Institutions to whom it is delivered and it should not be circulated or distributed to third party (ies). The Company certifies that the disclosures made in this document are generally adequate and are in conformity with the captioned Companies Act, 2013, SEBI Regulations and NHB directions. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue.

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Private Placement Offer Letter has not been filed with Securities & Exchange Board of India (SEBI). The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Bonds being made on private placement basis, filing of this document is not required with SEBI; however, SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this document.

Pursuant to rule 14 (3) of The Companies (Prospectus and Allotment of Securities) Rules, 2014, a copy of this Private Placement Offer Letter shall be filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana along with fee as provided in The Companies (Registration Offices and Fees) Rules, 2014 and with SEBI within a period of thirty days of circulation of this Private Placement Offer Letter.

DISCLAIMER OF THE ARRANGERS TO THE ISSUE

It is advised that HUDCO has exercised self-due-diligence to ensure complete compliance of prescribed disclosure norms in this Private Placement Offer Letter. The role of the Arrangers in the assignment is confined to marketing and placement of the bonds on the basis of this Private Placement Offer Letter as prepared by HUDCO. The Arrangers have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Private Placement Offer Letter. The Arrangers shall use this document for the purpose of soliciting subscription from qualified institutional investors in the bonds to be issued by HUDCO on private placement basis. It is to be distinctly understood that the aforesaid use of this document by the Arrangers should not in any way be deemed or construed that the document has been prepared, cleared, approved or vetted by the Arrangers; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of HUDCO. The Arrangers or any of its directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document.

DISCLAIMER OF THE ISSUER

The Issuer confirms that the information contained in this Private Placement Offer Letter is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the Issue and the Company has been made available in this Private Placement Offer Letter for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever. The Company accepts no responsibility for statements made otherwise than in this Private Placement Offer Letter or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

This Private Placement Offer Letter is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the bonds issued by HUDCO. This Private Placement Offer Letter has been prepared to give general information regarding HUDCO to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. HUDCO does not undertake to update this Private Placement Offer Letter to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with HUDCO. However, HUDCO reserves its right for providing the information at its absolute discretion. HUDCO accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and

purchase the Bonds. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Private Placement Offer Letter should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe for the bonds. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

This Private Placement Offer Letter is not intended for distribution. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The securities mentioned herein are being issued on private placement Basis and this offer does not constitute a public offer/ invitation.

The Issuer reserves the right to withdraw the private placement of the bond issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

In pursuance of sub-section (8) of section 42 of The Companies Act, 2013, the Issuer shall not release any public advertisements and shall not utilize any media, marketing or distribution channels or agents to inform the public at large about such an offer, where the term 'public advertisements' shall include notices, brochures, pamphlets, circulars, show cards, catalogues, hoardings, placards, posters, insertions in newspapers, pictures, films, or any other print medium, radio, television programme through any electronic medium, mass communications or e-mails, internet websites including social networking websites, publicity through telephone or mobile etc.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Private Placement Offer Letter has been submitted to the BSE Limited (hereinafter referred to as "BSE") for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER IN RESPECT OF JURISDICTION

This Private Placement Offer Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Bonds or the distribution of this Private Placement Offer Letter in any jurisdiction where such action is required. The distribution of this Private Placement Offer Letter and the offering and sale of the Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Private Placement Offer Letter comes are required to inform themselves about and to observe any such restrictions.

This offer of Bond(s) is made in India to persons/parties resident in India. This offer is NOT being made to NRIs / OCBs as defined under Indian laws. Further, this Bond issue is not made, or offered, to any 'body corporate' to which Section 186 of the Companies Act, 2013 applies or is deemed applicable.

This Private Placement Offer Letter does not, however, constitute an offer to sell or an invitation to subscribe to Bond(s) offered hereby in any other jurisdiction to any person/parties to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Private Placement Offer Letter comes is required to inform himself about and to observe any such restrictions.

DISCLAIMER OF THE NATIONAL HOUSING BANK (NHB)

The Bonds have not been recommended or approved by the NHB nor does NHB guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the Bonds have been recommended for investment by the NHB. NHB does not take any responsibility either for the financial soundness of the Issuer, or the Bonds being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. The potential investors may make investment decision in respect of the Bonds offered in terms of this Private Placement Offer Letter solely on the basis of their own analysis and NHB does not accept any responsibility about servicing/repayment of such investment.

II. DEFINITIONS/ ABBREVIATIONS	
AY	Assessment Year
Allotment/ Allot/Allotted	The issue and allotment of the Bonds to the successful Applicants in the Issue.
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Private Placement Offer Letter and the Application Form.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996)
Board/ Board of Directors	The Board of Directors of Housing & Urban Development Corporation Ltd. or Committee thereof, unless otherwise specified
Bond(s)	Taxable, Unsecured, Redeemable, Non-convertible, Non-cumulative Bonds of Face value of Rs. 10,00,000/- each in the nature of debentures to be issued by Housing & Urban Development Corporation Limited (the "Issuer"/the "HUDCO"/"the Company") under the terms of this Private Placement Offer letter
BSE	BSE Limited
Record Date	Reference date for payment of interest/ repayment of principal
CAR	Capital Adequacy Ratio
CAG	Comptroller and Auditor General of India
CARE	Credit Analysis & Research Limited
CDSL	Central Depository Services (India) Limited
CMD	Chairman & Managing Director of Housing & Urban Development Corporation Ltd.
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, bonds and such other securities of the issuer, whether constituting a charge on the assets of the Issuer or not, but excludes security receipts and securitized debt instruments.
DDA	Deemed Date of Allotment
Deemed Date of Allotment	The cut-off date declared by the Issuer from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act
DP	Depository Participant
DRR	Bond/ Debenture Redemption Reserve
EPS	Earnings Per Share
IRRPL	India Ratings & Research Private Limited (Fitch group)
Financial Year/ FY	Period of twelve months ending March 31, of that particular year
GoI	Government of India/ Central Government
Trustees	Trustees for the Bondholders in this case being SBICAP Trustee Company Ltd.
Issuer/ HUDCO/Company	Housing and Urban Development Corporation Limited, a Public Financial Institution notified under Section 4A of Companies Act, 1956 and having its Registered Office and Corporate Office HUDCO Bhawan, Core 7A, India Habitat Centre, Lodhi Road, New Delhi - 110 003
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Listing Agreement	The agreement for listing of debt securities on the Indian Stock exchanges
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Ltd.
Private Placement Offer Letter	Private Placement Offer Letter dated _____ for private placement of unsecured, redeemable, non-convertible, non-cumulative taxable 2017 HUDCO bonds in the nature of debentures of face value of Rs.10,00,000 each for an amount aggregating upto Rs. 200 crore plus green shoe option to retain over subscription
PAN	Permanent Account Number
Rs./ INR	Indian National Rupee
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
Registrar	Registrar to the Issue, in this case being Beetal Financial and Computer Services Pvt. Limited
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended
TDS	Tax Deducted at source
The Companies Act	The Companies Act, 1956 as amended and/or the Companies Act, 2013 to the extent notified by the Ministry of Corporate Affairs, Government of India, as applicable.
The issue/The offer/Private Placement	Private placement of Unsecured, Redeemable, Non-convertible, Non-cumulative taxable 2017 HUDCO bonds in the nature of debentures of face value of Rs.10,00,000 each for an amount aggregating upto Rs. 200 crore plus green shoe option to retain over subscription

III. ISSUER INFORMATION		
Name of the Issuer	Housing and Urban Development Corporation Limited (A Government of India Enterprise) (Previously named as Housing and Urban Development Finance Corporation Private Limited)	
Registered/Head Office/Corporate Office	HUDCO Bhawan, Core 7A, India Habitat Centre, Lodhi Road, New Delhi - 110003	
Date of Incorporation	April 25, 1970	
CIN	L74899DL1970GOI005276	
Contact Person	Mr. Qamar Ali, Executive Director (Finance)	
Telephone Number(s)	011-24649610-27, 24695185	
Fax Number	011- 24695185	
Website	www.hudco.org	
E-mail	qali2178@yahoo.com	
Statutory Auditors	Prem Gupta & Company Chartered Accountants, 4, Shivaji Marg, Najafgarh Road, New Delhi-110015 Telephone: +91 11 25422417, 45017187, Fax: +91 11 25915557, 25281879 E-mail : pguptaco@yahoo.co.in , office@pguptaco.com	
Compliance Officer for the issue	Mr. Harish Kumar Sharma, Company Secretary HUDCO Bhawan, Core- 7A, India Habitat Centre, Lodhi Road, New Delhi - 110003 Telephone: +91 (11) 24646899, Facsimile: +91 (11) 24615534 E-mail: cswhudco@hudco.org	
Chief financial Officer	Mr. Rakesh Kumar Arora, Director Finance, HUDCO, HUDCO Bhawan, Core-7A, India Habitat Centre, Lodhi Road, New Delhi - 110 003 Telephone: +91 11 24627093, Facsimile +91 11 24627035 E-mail: rkarora@hudco.org	
Arrangers	Axis Bank Ltd.	ICICI Bank Ltd.
	Trust Investment Advisors Pvt. Ltd.	
Debenture Trustee	SBICAP TRUSTEE COMPANY LIMITED 8, Khetan Bhavan, 5 th Floor, 198, J. Tata Road, Churchgate, Mumbai 400 020, India Telephone: +91 22 4302 5555, Facsimile: +91 22 4302 5500 Email: corporate@sbicaptrustee.com Investor Grievance Email: investor.cell@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Mr. Ajit Joshi	
Registrar to the Issue	BEETAL Financial & Computer Services Pvt Ltd. BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Telephone: +91129961281-283, Facsimile +91 29961284 Email: beetalrta@gmail.com , Investor Grievance Email: beetalrta@gmail.com Website: www.beetalfinancial.com Contact Person: Puneet Mittal SEBI Registration No.: INR000000262	
Credit Rating Agency	INDIA RATINGS AND RESEARCH PRIVATE LIMITED (Fitch Group) Wockhardt Tower, Level 4, West Wing, Bandra Curla Complex, Bandra (E), Mumbai- 400 051 Telephone: +91 22 45333200, 23716199, Facsimile: +91 22 45333238, 23318701 Email: shrikant.dev@indiaratings.co.in Website: www.indiaratings.co.in Contact Person: Shrikant Dev SEBI Registration No.: IN/CRA/002/1999	
	ICRA Ltd. Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurugram- 122002 Telephone +91-124-4545300, Facsimile; +91-124-4050424 Email: info@icraindia.com Website: www.icra.in Contact Person: Mr. Vivek Mathur SEBI Registration No.: IN/CRA/008/2015	
	CREDIT ANALYSIS AND RESEARCH LTD. (CARE) B-47, 3 rd Floor, Inner Circle, Connaught Place, New Delhi-110001 Telephone: +91 11 45333200, 23716199, Facsimile: +91 11 45333238, 23318701 Email: abhinav.sharma@careratings.com Website: www.careratings.com Contact Person: Abhinav Sharma SEBI Registration No.: IN/CRA/004/1999	

IV. BRIEF OVERVIEW OF BUSINESS/ACTIVITIES OF ISSUER AND LINE OF BUSINESS

4.1 Profile of HUDCO

- HUDCO is financial institution with a mandate to provide long term finance for Housing & Urban Infrastructure (UI) development in the country. The President of India acting through the MoHUA exercises a majority control in the Company.
- HUDCO's lending is mainly focused towards state undertakings in the housing or infrastructure segment with majority of loans backed by state government guarantees and /or fully secured by mortgages.
- The company was conferred 'Mini-Ratna' status in August 2004 resulting in greater operational and financial flexibility to HUDCO.
- HUDCO has supported over 16 million housing units throughout the country in the last four decades.
- HUDCO has extended support for Utility Infrastructure covering water supply, sewerage, drainage, solid waste management, roads/ bridges; Social infrastructure covering educational, health and recreational facilities and Economic and commercial infrastructure covering IT Parks, SEZs, Power, transport and commercial/institutional buildings.

4.1.1 Key Strength

- Key public policy role for the implementation of GOI's housing and infrastructure policies.
- The only institution implementing Action Plan Schemes of the Govt. of India with a strong commitment to the economically weaker sections
- GOI's supervision, control and various other forms of support.
- Strong brand.
- 47 years of experience in the field - unique industry knowledge in consultancy, training and research
- Leading market position as a lender for social and urban infrastructure projects.
- Extensive national network of offices pan India for a wide coverage of market segments.
- Consistently profit making company, since inception.
- Comfortable Liquidity position supported by comfortable asset liability profile.

4.1.2 Opportunities:

- Large gap between demand and supply in both housing and urban infrastructure financing.
- The quantum of housing and infrastructure shortage in the country presents a huge gap to be filled in this sector.
- The urban housing shortage in the country is currently estimated at a whopping 26.53 million units, which is almost entirely in the EWS/LIG category, which would require an investment of Rs. 6.5 lac crore.
- As per assessment by the HPEC report, the urban infrastructure sector needs Rs. 40 lac crore more investment over the 20 year period (2012-2031). Thus, there are immense business opportunities for HUDCO in financing the key sectors of the economy.
- Government's emphasis on infrastructure development.

4.2 SUMMARY OF BUSINESS ACTIVITIES

We are a techno-financial institution engaged in the financing and promotion of housing and urban infrastructure projects throughout India. We are established on April 25, 1970 as a government company with the objective to provide long term finance and undertake housing and urban infrastructure development programmes. We are a public financial institution under section 4A of the Companies Act and have been conferred the status of Mini-ratna. We have a pan-India presence through our wide network of zonal, regional and development offices and occupies a key position in the Govt's growth plans and implementation of its policies for the housing and urban infrastructure sector.

Our business is broadly classified into the following two business platforms:

- Housing finance, wherein the beneficiaries of our financing include State government agencies and borrowers belonging to all sections of the society in urban and rural areas.
- Urban infrastructure finance, wherein the beneficiaries of our financing include projects relating to social infrastructure and area development, water supply, sewerage and drainage, roads and transport, power, emerging sector, commercial infrastructure and others.

We also provide consultancy services in the field of urban and regional planning, design and development, environmental engineering, social development, government programmes and others.

Our business is supported by capacity building activities through HSMI, and alternative building materials and cost-effective technology promotion.

As on March 31, 2017, we have provided finance for over 16 million dwelling units and over 2,227 urban infrastructure projects in India. Further, up to March 31, 2017, we have sanctioned loans of Rs.57,355 crores for housing and Rs.1,08,796 crores for urban infrastructure on a cumulative basis, of which Rs.43,729 crores and Rs.74,943 crores has been disbursed respectively.

We have established a track record of consistent financial performance and growth. Certain of our key growth and efficiency indicators for the last three Fiscals are set forth below:

(Rs. in crore)

Certain Key Operational Indicators	Fiscal 2017	Fiscal 2016	Fiscal 2015
Loan book (loan outstanding including investment in bonds) (Rs.in crore)	39,660.97	35,664.94	33,134.86
Long term debt to equity ratio	2.93	2.87	2.70
CRAR (%)	58.55	63.85	50.46
Net NPA (%)	1.15%	2.06%	1.59%
Net interest margin (Rs. in crore)*	1502.94	1331.04	1,553.22

*Net interest margin = Interest income (comprising of interest on loans, bonds, staff advances, loan against public deposits and fixed deposits with banks) minus (-) Interest expenditure (comprising of interest on secured loans, unsecured loans and other interest)

Our Total Income, Profit before and after making provision for tax, for the last three Fiscals immediately preceding the date of circulation of this Private Placement Offer Letter are as set forth below:

(Rs. in crore)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Total Income	3,584.84	3,302.20	3,427.77
Profit before tax & provision	1,175.00	1,077.10	1,180.94
Profit after tax & provision	841.81	783.79	777.63

4.2.1 Strengths and competitive advantages

We believe our core strengths to maintain and improve our market position in the provision of housing and urban infrastructure finance, are as follows:

Key strategic position in the GoI's plans for growth of the housing and urban infrastructure sector: We are a government company that provides long term finance for construction of houses for residential purposes, finance or undertake housing and urban infrastructure development programmes and administer the moneys received from time to time from Government of India for implementation of such programmes. We believe we will continue to occupy a key strategic position in the GoI's ongoing plans to develop the Indian housing and urban infrastructure sector. In addition to providing finance for the GoI's schemes, we also monitor and assist the Government in implementation of such schemes such as JNNURM and RAY through appraisal, monitoring, skill development etc.

Annually, we enter into an MOU with the GoI that provides guidelines for our annual operational achievements of our business targets i.e. Housing Finance, Urban Infrastructure Finance, Consultancy Services and profitability. Under our current MOU, the GoI has agreed to a number of important measures that will facilitate the development of our business, reduce the risks we face and provide for our continued involvement in the GoI's housing and urban infrastructure plans.

Strong financial position: Our business is funded through equity and market borrowings of various maturities, including bonds and term loans. Our relationship with the GoI currently provides us with access to lower cost funding and has additionally enabled us to source foreign currency loans from bi-lateral and multi-lateral agencies. Domestically, we hold AAA (Stable), a highest credit rating, for long-term borrowing from each of IRRPL (Fitch Group), ICRA and CARE.

We have operated our financing business profitably since inception, including a profit after tax of Rs.841.81 crore for Fiscal 2017. As on March 31, 2017, our Company had a net worth of Rs.9,107.29 crores. Our sustained performance and profitability enabled to earn the Mini-ratna status, which was conferred, to us in the year 2004-05.

Pan-India presence: We have a pan-India presence. In addition to our Registered and Corporate Office and research and training wing in New Delhi, we have a Zonal office in Guwahati, 21 Regional office's in Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Dehradun, Delhi (NCR), Dimapur, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Patna, Raipur, Ranchi, Thiruvananthapuram and Vijaywada and 11 development offices in Agartala, Aizwal, Goa, Imphal, Itanagar, Kokrajhar, Puducherry, Portblair, Shillong, Shimla and Gangtok. We have extended finance for housing and urban infrastructure projects to customers in 34 states and union territories covering around 1,800 cities and towns.

Established track record: Our 47 years of experience in the business of providing finance has helped us to establish a strong brand name which has further enabled us to extend our coverage of the market. Our products are availed by State Governments, both public and private sector and general public. As on March 31, 2017, we have provided finance for over 16 million dwelling units and over 2,227 urban infrastructure projects in India. Further, up to March 31, 2017, we have sanctioned loans of Rs. 57,355 crores for housing and Rs. 1,08,796 crores for urban infrastructure on a cumulative basis, of which Rs. 43,729 crores and Rs. 74,943 crores has been disbursed respectively.

Varied consultancy services in housing and urban infrastructure sector: We have a wide spectrum of consultancy services in the housing and urban infrastructure sector. We have provided consultancy services to more than 300 housing and urban infrastructure projects covering diversified field. Some of the key areas include low cost housing designs, demonstration housing projects, post disaster rehabilitation efforts, development plans, state urban development strategy, master plans, preparation of slum free city plans, DPRs for various towns under BSUP and IHSDP schemes of JNNURM, transport studies, environmental studies, urban design studies, preparation of river-front development plans and project management. Our

consultancy services are suited to all such institution in the housing and urban infrastructure sector that do not have the expertise or manpower, or want to supplement their own efforts.

Wide pool of skilled and professional workforce: We have a wide pool of employees from diverse backgrounds ranging from finance, law, engineering, architecture, planning and designing, economics and sociology. Further our research and training activities through the HSMI and building technology promotion activities enable us to further strengthen our business process with regard to providing finance and consultancy services and enable capacity building in this sector.

4.2.3 Strategy

The key elements of our business strategy are as follows:

Enhance participation in implementation of government programmes on housing and urban infrastructure: We have in the past provided, and continue to provide, finance for the implementation of government programmes on housing and urban infrastructure. Our social housing category under the housing finance business has been specifically tailored for weaker sections housing programmes. We will enhance our participation in the implementation of the government programmes on housing and urban infrastructure by involving ourselves in other action schemes of the Central and State Governments where financing may be needed.

Increase financing of the housing and urban infrastructure projects: We seek to further increase financing of the housing and urban infrastructure projects in India with an emphasis on strategic, physical and geographic growth, and strengthening and expanding our relationships with our existing customers as well as identifying new avenues in the sector. Our geographic growth would be extended to smaller cities where we believe there is greater demand for finance for housing and urban infrastructure projects.

Develop strategic alliances with various agencies: We have a close relationship, developed over the years, with the Central and State Governments/Government agencies. Towards leveraging this close relationship, we intend to establish strategic alliances like JVs with the State Governments and its agencies to enhance our business in the financing as well as fee based activities.

Enhance income from fee-based activities: We have a very rich and varied expertise in the financing of housing and urban infrastructure projects, acquired over last 47 years, coupled with its multi-faceted talent pool, we are well positioned to significantly enhance our fee-based activities. This would further be supported through leveraging our close association with the State Government especially in regard to the major Government programmes like JNNURM and RAY. We seek to supplement our business in housing and urban infrastructure finance sector through consultancy.

4.2.4 Our business platforms

Housing finance

We finance dwelling units in the urban and the rural areas ("**Housing Finance**"). As on March 31, 2017, we have sanctioned Housing Finance of Rs. 57,355 crore, which is 34.52 % of our total financing activities. Income from Housing Finance consists of Rs.1058.66 crore for the Fiscal 2017, which is 29.54 % of our total income for that period. Housing Finance can be classified into financing of social housing, residential real estate and Hudco Niwas.

Under social housing, the beneficiaries of our financing are borrowers belonging to the economically weaker sections of the society ("**EWS Housing**") and borrowers belonging to the lower income group ("**LIG Housing**"). The classification is based on economic parameters. Accordingly, families with household income of Rs. 3,00,000 per annum or less fall into the EWS Housing category and families with household income from Rs.3,00,001 per annum to Rs. 6,00,000 per annum fall into the LIG Housing category. Under residential real estate, the beneficiaries of our financing are public and private sector borrowers for housing and commercial real estate projects including land acquisition. Such housing and commercial real estate projects cater primarily to the middle-income group and high-income group of the society.

We finance social housing and residential real estate through State Governments and agencies which primarily include state housing boards, rural housing boards, slum clearance boards, development authorities, Municipal Corporations, joint ventures and private sector agencies. These entities are our borrowers under social housing and residential real estate who, in turn, extend the finance to or utilise the finance for the ultimate beneficiaries.

HUDCO's retail finance window was launched on March 8, 1999 under "Hudco Niwas" for providing housing loans to individuals. Under Hudco Niwas Scheme, loans are provided for construction of houses, purchase of houses and flats, purchase of plots from public agencies, extending and improving existing houses and refinancing of existing housing loans from banks and other financing institutions to salaried and other individuals to the extent of 80% of the cost of the housing unit for a maximum tenure of 25 years. Under HUDCO Niwas, individual loans are available upto Rs. 1 Crore, which are secured by the mortgage over the housing unit to be financed and other collaterals, which are to be decided on a case-to-case basis. Under Hudco Niwas, bulk loans are also provided to State Governments, para-statal institutions of the State Governments and Public Sector Undertakings to meet the demand of the house building advance of their employees/public, alongwith HFCs for housing loans for general public.

Our principal product for Housing Finance is long-term loans. The long-term loans are for up to 90% of the eligible project cost for State Governments and public sector agencies for housing, up to 66% of the project cost for residential real estate by private sector and up to 80% of the funding requirement for Hudco Niwas. The disbursement of these loans is typically in one or more installments. The maturity period of the term loans is typically up to 15 years for State Governments, and public and private sector agencies and up to 25 years for Hudco Niwas. The long-term loans typically bear floating interest rates and, depending upon the nature of the borrower and the dwelling unit, and there are provisions for reset of interest rate and conversion from fixed rate of interest to floating rate of interest and vice versa. The security under the long-term loans depends upon the nature of the housing project and the borrower. If the borrower is a public agency, the security options include government guarantee, bank guarantee, mortgage of the project or alternate property. In respect of private sector agencies, the security options include mortgage of the project property, escrow of the receivables and hypothecation of the assets. The security coverage under the long-term loans generally varies from 125%-175% of the loan outstanding at any given point of time depending upon the type of borrower.

The following table sets forth the sanctioned, disbursed and the outstanding amount for social housing, residential real estate and Hudco Niwas for the indicated periods:

(Rs. in crore except for number of dwelling units)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Sanctioned amount			
<i>Social housing</i>	3,364.59 for 2,59,829 dwelling units	17,249.80 for 4,57,123 dwelling units	3,977.22 for 4,01,581 dwelling units
<i>Residential real estate</i>	2,055.07 for 11424 dwelling units	1,531.21 for 4,367 dwelling units	3,177.97 for 82,446 dwelling units
<i>Hudco Niwas</i>	732.31 for 245 dwelling units	9.39 for 85 dwelling units	514.04 for 105 dwelling units
Total	6,151.97 for 271,498 dwelling units and others*	18,790.40 for 4,61,575 dwelling units and others*	7,669.25 for 4,84,128 dwelling units and others*
Disbursed amount			
<i>Social housing</i>	1846.71	2,157.63	2,591.99
<i>Residential real estate</i>	446.55	667.02	474.98
<i>Hudco Niwas</i>	416.20	308.02	8.76
Total	2709.44	3,132.67	3,075.73
Outstanding amount			
<i>Social housing</i>	9,275.18	8,200.66	6,721.68
<i>Residential real estate</i>	2860.14	2,875.75	2,561.22
<i>Hudco Niwas</i>	593.81	619.53	378.52
Total	12,729.13	11,695.94	9,661.42

* Others include land acquisition, ILCS, building material, basic sanitation and commercial real estate.

Urban infrastructure finance

We finance infrastructure projects of varied nature ("Urban Infrastructure Finance"). As on March 31, 2017, we have sanctioned Urban Infrastructure Finance of Rs.1,04,796 crore which is 65.48% of our total financing activities. Income from Urban Infrastructure Projects consists of Rs.2374.91 crore for the Fiscal 2017 which is 66.30% of our total income for that period. Urban Infrastructure Finance can be classified into social infrastructure and area development, water supply, sewerage and drainage, roads and transport, power, emerging sector, commercial infrastructure and others.

Under social infrastructure and area development, we finance health, education and cultural/recreational infrastructure projects such as hospital, health centres, schools and other educational institutions, community centres, gardens and parks; integrated area development schemes such as development of new towns, urban extensions and growth centres; and basic sanitation projects. Under water supply, we finance water related projects to unserved areas, rehabilitations projects and augmentation of existing supply and quality. Under sewerage and drainage, we finance new schemes, and augmentation and rehabilitation projects on sewerage and drainage. Under the roads and transport, we finance roads, bridges, ports, airports, railways and purchase of buses. Under power, we finance generation (hydro, thermal, wind, solar and bio mass based) transmission and distribution systems. Under the emerging sector category, we finance SEZs, industrial infrastructure, gas pipelines, oil terminals, communication and entertainment infrastructure and IT parks. Under the commercial infrastructure and others, we finance shopping centres, market complexes, malls-cum-multiplexes, hotels and office buildings.

Our borrowers under Urban Infrastructure Finance are State Governments, state level finance corporations, water supply and sewerage boards of the state and city level, development authorities, roads and bridges development corporations, new town development agencies, regional planning board, urban local bodies, private sector agencies and companies.

The long-term loans are provided up to 90% of the eligible project cost by public borrowers and upto 70% of the eligible project cost for the other borrowers. The disbursement of these loans is typically made in installments. The maturity period of the term loans is ranging from 5 to 20 years depending on the nature of the borrower / project. The long-term loans are availed on floating and fixed interest rate (to be reset periodically) and borrowers are generally availing it on floating interest rates basis. Further, there are provisions for conversion from fixed rate of interest to floating rate of interest and vice versa. The security under the long-term loans depends upon the nature of the infrastructure projects and the borrower. If the borrower is a public agency, the security options include government guarantee, bank guarantee, mortgage of the project or

alternate property and escrow of the project revenues. In respect of private sector agencies, the security options include bank guarantee, mortgage of the project property, escrow of the receivables and hypothecation of the assets. The security coverage under the long-term loans generally varies from 125%-175% of the loan outstanding at any given point of time depending upon the type of borrower.

The following table sets forth the sanctioned, disbursed and the outstanding amount for social infrastructure and area development, water supply, sewerage and drainage, roads and transport, power, emerging sector, commercial infrastructure and others for the indicated periods:

(Rs. in crore except number of projects)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Sanctioned amount			
<i>Social infrastructure and area development</i>	595.33 for 37 projects	1238.64 for 56 projects	212.92 for 50 projects
<i>Water supply</i>	5,043.21 for 49 projects	2424.80 for 21 projects	4919.14 for 15 projects
<i>Sewerage and drainage</i>	975.03 for 5 projects	1712.67 for 21 projects	473.32 for 8 projects
<i>Roads and transport</i>	12,627.47 for 41 projects	4782.29 for 57 projects	3787.24 for 27 projects
<i>Power</i>	1,353.54 for 4 projects	1200 for 3 projects	1751.72 for 6 projects
<i>Emerging sector</i>	3,057.59 for 4 projects	250 for 4 projects	2254.77 for 11 projects
<i>Commercial infrastructure and others</i>	638.54 for 9 projects	375.62 for 8 projects	27.19 for 4 projects
Total	24290.71 for 149 projects	11984.02 for 170 projects	13,426.30 for 121 projects
Disbursed amount			
<i>Social infrastructure and area development</i>	369.53	213.98	132.88
<i>Water supply</i>	2254.08	2,213.56	2,404.09
<i>Sewerage and drainage</i>	96.31	216.80	306.02
<i>Roads and transport</i>	1992.71	1,105.74	949.18
<i>Power</i>	961.90	407.18	621.64
<i>Emerging sector</i>	710.54	325.44	393.43
<i>Commercial infrastructure and others</i>	0.60	632.70	90.08
Total	6385.69	5,115.40	4,897.32
Outstanding amount			
<i>Social infrastructure and area development</i>	1,288.96	1,033.32	943.39
<i>Water supply</i>	9,013.95	7,283.71	5637.52
<i>Sewerage and drainage</i>	713.51	754.78	646.62
<i>Roads and transport</i>	6,983.83	6,040.91	6041.27
<i>Power</i>	5,268.64	5,379.81	7138.14
<i>Emerging sector</i>	2,327.14	1,814.06	1931.90
<i>Commercial infrastructure and others</i>	1,335.81	1,662.41	1134.60
Total	26,931.84	23,969.00	23,473.44

Consultancy services

We provide consultancy services in the area of housing and urban development (“**Consultancy Services**”). Our Consultancy services consist of urban and regional planning, design and development, environmental engineering, social development, government programmes and others. Income from Consultancy Services consists of Rs.3.51 crore for the Fiscal 2017, which is 0.09% of our total income for that period.

Under urban and regional planning, we provide Consultancy Services with regard to preparation of urban and regional plans, master plans, city development plans, slum-free city plans, DPRs and preparation of state/city level urban development strategy and action plans. Under design and development, we provide Consultancy Services with regard to architectural planning and design services, associated engineering landscape and urban design aspects, and preparation of DPRs for housing projects. Under environmental engineering, we provide Consultancy Services for construction projects, environmental engineering projects covering water supply, sewerage and solid waste management systems. Under social development, we provide Consultancy Services with regard to poverty alleviation, community mobilization, gender issues, and monitoring and evaluation. Under government programmes, we provide Consultancy Services in relation to appraisal, monitoring, quality assurance and other aspects of government programmes such as JNNURM, RAY and SJSRY. Under the others category, our Consultancy Services cover loan syndication, financial intermediation in restructuring and accounting practices for urban local bodies and guidance in raising of municipal bonds.

Our clients for Consultancy Services include housing or urban development agencies. Some of the projects in which consultancy services were provided by us are senior police officer's mess cum commercial/ office space in Bengaluru, urban habitat complex in Bengaluru, preparation of overview master plan of tourism for the Union Territory of Pondicherry and preparation of tourism master plan for the State of Tamil Nadu.

4.2.5 Business support activities

Our business is supported by capacity building activities through HSMI, and alternative building materials and cost-effective technology promotion.

Research and training

We undertake research and training in the field of human settlement development ("**Research and Training**"). Our Research and Training is carried on through Human Settlement Management Institute ("**HSMI**"). HSMI was established in 1985 as our research and training wing to provide support for professionals and a forum for interaction of administrators, professionals, researchers and other engaged with the issues and day-to-day practice of human settlement development. HSMI operates at international, national and decentralized levels as a sector specialist institute. It has been working closely with the Ministry of Housing and Urban Poverty Alleviation to undertake research and training. Currently, HSMI undertakes Research and Training through four centres in the following focus areas viz. Centre for Urban Poverty, Slums and Livelihood, Centre for Project Development and Management, Centre for Sustainable Habitat and Centre for Affordable Housing.

Training by HSMI

HSMI has been organizing fee-based programmes, customized training programmes for the GoI in various ministries and international agencies. The client includes Department of Personnel and Training for IAS officers programmes and the Ministry of External Affairs and Ministry of Finance for International programmes under bilateral development programmes of the GoI besides housing boards, development authorities, infrastructure development agencies, local bodies, professional institutions and NGOs/CBOs. HSMI also organizes special events having bearing on the sector in collaboration with the international donor agencies by way of seminar and short duration workshops and consultations.

HSMI is also one of the identified National Nodal Resource Centres of the MoHUPA for coordinating various training and documentation activities under the IEC (information, education and communication) component to support the implementation of the Swarna Jayanti Sahanri Rozgar Yojana, a supported poverty alleviation programme of the GoI. In addition we have also undertaken capacity building activities to support implementation of the JNNURM programmes on behalf of the MoHUPA.

Research by HSMI

HSMI research programmes support its training activities and have been developed through small budget research studies. HSMI undertakes in-house research carried out by its faculty members and sponsored research. The areas of research primarily focus on integrated urban infrastructure development, urban management, environmental issues, urban poverty alleviation, informal financing and gender issues. These studies are published as research studies and working papers and are widely disseminated. Around 150 research studies and working papers have been undertaken by HSMI.

Research and Training through HSMI has helped us in generating viable projects to improve our lending operations directly and indirectly. Further, we have also instituted annual awards for identified best practices implemented by housing and urban agencies in the country

Building technology promotion

We promote cost effective technologies through use of local materials, upgradation of technologies and innovations in the area of building materials and construction ("**Building Technology Promotion**").

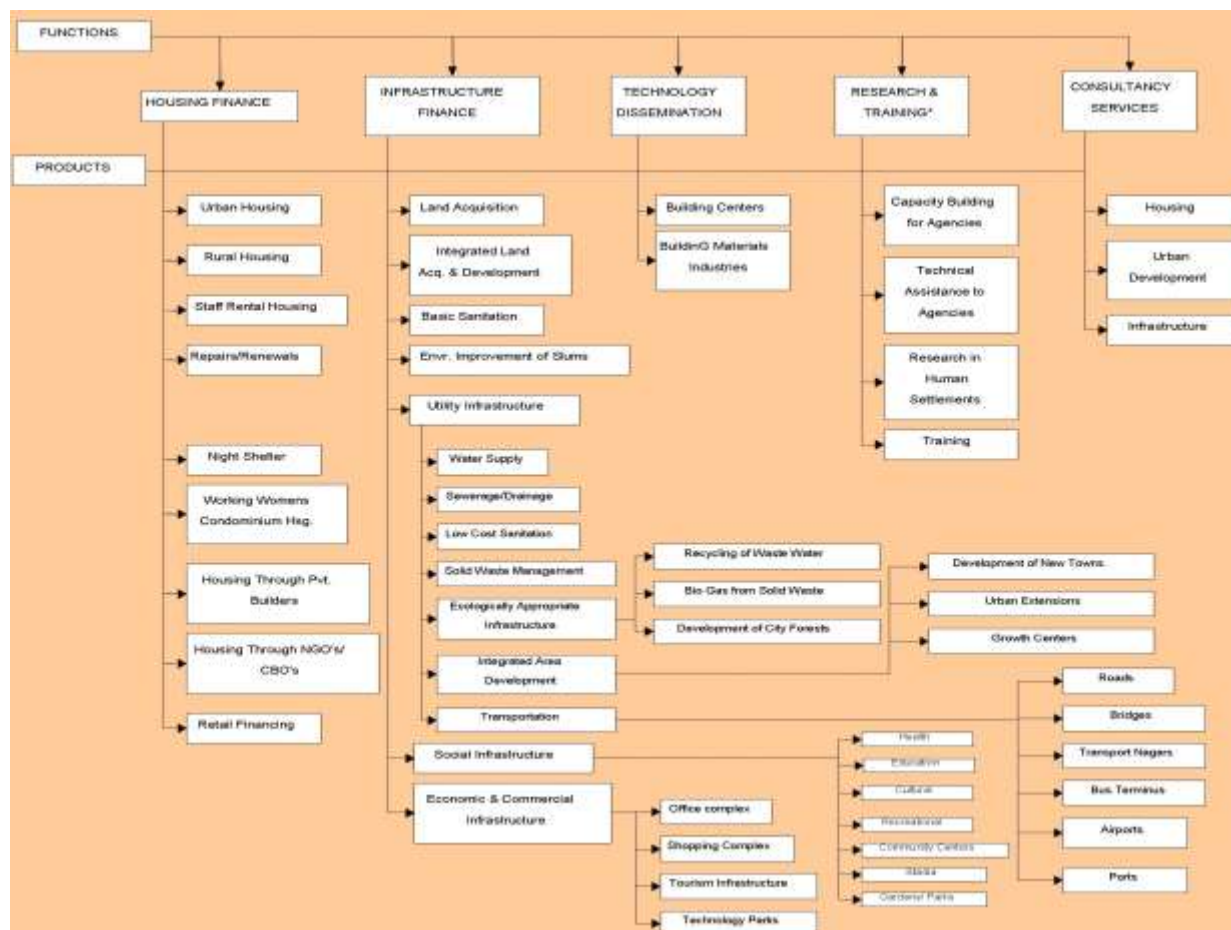
With a view to propagate, disseminate and promote these innovative and cost-effective housing technologies, we along with the GoI have launched a major programme for the establishment of a national network of building centres ("**Building Centres**"). As a part of this initiative, 655 Building Centres had been approved as a part of a national network. The Building Centres developing an effective construction delivery system for affordable housing and also contributing to employment and income generation of local levels. They impart training on cost effective technologies to various artisans and have introduced technologies in production of building components and construction of houses and buildings.

In addition to Building Technology Promotion through the Building Centres, we have also extended financial assistance through equity and term loan support to the building material industries for manufacturing building materials and components which are innovative and alternate to conventional options and utilizing agricultural and industrial wastes with energy efficient and environmentally appropriate options.

Furthermore, we also extend support for the development of model village/ model basti throughout the country with HUDCO-KfW assistance to individual project upto Rs.70 lacs.

4.2.6 PROGRAMMES AND PRODUCTS PORTFOLIO

Today HUDCO has emerged as the premier national techno-financing institution with the major objective of financing/encouraging the housing activity in the country along with the development of urban infrastructure facilities. HUDCO extends assistance benefiting the masses in urban and rural areas under a broad spectrum of programmes that include housing, infrastructure, building technology, consultancy services, research and training as tabulated below:



* In order to give a new thrust to the Research and Training activities, four centres of excellence have been constituted which are Centre for Urban Poverty, Slums and Livelihoods (CUPSL), Centre for Sustainable Habitat (CSH), Centre for Project Development & Management (CPDM) and Centre for Affordable Housing (CAH).

Traditionally HUDCO has been providing financial assistance in the areas of housing and urban infrastructure. However, in order to address the needs of the changing markets, HUDCO has diversified its operational arena to cover several other sectors, like Power, Telecom, Metro, Ports, Railways, Gas pipelines, Special Economic Zones etc, even while keeping its focus on social housing and basic infrastructure.

HUDCO has now actively entered into fee based businesses and taken up consultancy projects in the field of design and planning. HUDCO is also assisting the government in its various action plan schemes especially JNNURM where HUDCO provides appraisal services for projects under specific components of JNNURM. HUDCO has taken up assignments for preparation of master plans and city development plans for state governments also. Valuation services are also being offered under commercial consultancy on fee basis. With the advent of large projects with mega outlays, HUDCO has taken up consortium funding for private power and other projects. HUDCO has also forayed into financing of private industrial infrastructure.

4.2.7 Our business process

We have a detailed business process in place for providing Housing Finance and Urban Infrastructure Finance. Regional Offices in association with the Corporate Office undertake extensive marketing of our products. The business process primarily begins by receipt and scrutiny of loan application by our Regional Offices. The received projects are appraised by duly constituted appraisal team comprising of personnel from technical, finance and legal divisions to ascertain the technical feasibility and financial viability for placing it before the competent authority for approval in the prescribed formats. The sanctioning powers vests with different levels of authority at Regional Offices and Corporate Office. Once the proposal is

approved by competent authority, sanction letter is issued by the concerned Regional Office. The disbursements are made after completion of documentation including creation of security at Regional Offices. The Regional Offices are required to monitor the project and make further disbursements after ensuring adequate physical and financial progress through periodic progress reports and site inspection etc.

Once the project is completed, repayment of the long-term loans extended is ensured by Regional Offices on quarterly / monthly basis by regularly monitoring the project. In case of default where recoveries become difficult, we have a system and procedure of invoking the securities for recovery of our dues.

With regard to Consultancy Services, based on the request of the client at any of our offices or through other methods such as competitive bidding, the assignments are finalized. The terms of reference is prepared outlining the project requirements, time schedules of completion and details of stage-wise payment. Thereafter, a formal agreement is executed for undertaking the consultancy service.

4.2.8 Our participation in government programmes

The GoI has initiated a number of programmes aimed at accelerating the growth and development of housing and urban infrastructure sector. In the past, we have been involved in such programmes such as the Valmiki-Ambedkar Awas Yojna ("VAMBAY"). VAMBAY was launched by the GoI in December 2001 with a view to improve the conditions of the slum dwellers living below the poverty line who do not possess adequate shelter. We provided finance to the State Governments for implementing the VAMBAY. Similarly, the GoI launched the '2 million housing programme' in 1998-99 designed to meet the shelter needs of EWS and LIG category households. Our primary role was to provide finance for the construction of the houses in urban and rural areas.

Currently, we play a key role in implementing the following programmes.

Jawaharlal Nehru National Urban Renewal Mission ("JNNURM")

JNNURM, launched by GOI in Dec. 2005, aimed to encourage cities to improve existing urban infrastructure services in a financially sustainable manner through reforms and ensuring adequate funds. HUDCO has been integrally involved with JNNURM, since inception, as Central Monitoring Agency for monitoring sub-mission program - BSUP and sister scheme of the Mission - Integrated Housing and Slum Development Program (IHSDP). The Mission, originally for 7 years beginning 2005-06, has now been extended upto March 2017 for completion of on-going projects.

Under JNNURM, HUDCO has been involved in appraisal of DPRs and as monitoring agency for effective implementation. HUDCO also assisted State Govt./Implementing Agency in preparation of DPRs and as a financing agency, extended long terms loan finance to eligible public institutions to meet viability gap i.e. State Govt. / agency contribution beyond available Central Govt. grant.

Rajiv Awas Yojna ("RAY")

RAY, a programme of the theGoI, aims to, among other things, bring existing slums within the formal system and enable the slum dwellers to avail of the same level of basic amenities as the rest of the town. Under RAY, the Central Governments would support projects for integrated development of all existing slums; development, improvement and maintenance of basic services to the poor including water supply, sewerage and drainage; and creation of affordable housing stock. The State Governments can avail various types of assistance under RAY from the Central Government.

We are involved in the preparation and appraisal of DPRs for the implementation of RAY.

Integrated Low Cost Sanitation Scheme ("ILCS")

ILCS was launched by the GoI in 1980-81 and was revised in 2008. The aim of ILCS is to convert/construct low cost sanitation units with superstructures and appropriate variations to suit local conditions. Towns across India are selected for the ILCS scheme based on the prescribed criteria. The scheme covers all the EWS households which have dry latrines and construct new latrines where EWS households have no latrines. The scheme is limited to EWS households only. 90% of the funds for the scheme is provided by the Central and State Governments and 10% by the beneficiaries. We are involved in the appraisal of DPRs and monitoring of ILCS.

4.2.9 Resource mobilization

We were incorporated with an initial equity capital of Rs. 2 crore. As on the date of filing of the Private Placement Offer Letter, our issued, subscribed and paid-up equity shares capital is Rs. 2,001.90 crore.

In addition to the above, we fund our assets, primarily comprising of loans, with borrowings of various maturities in the domestic and international markets. Our market borrowings include bonds, loans, public deposits and external commercial borrowings. As on March 31, 2017, we had total outstanding borrowing of Rs.28,432.43 crore.

Reserves & Surplus*	7,165.35	6,443.91	5,779.27	5,121.43	4,512.06
Net worth*	9,107.29	8,385.81	7,781.17	7,123.33	6,513.96
Total Debt (of which)					
Non-Current Maturities of Long Term Borrowing	24,953.67	21,342.02	18,315.14	18,868.21	13,504.40
Short Term Borrowing**	1,740.00	1,563.50	2,815.37	980.71	2,127.91
Current Maturities of Long Term Borrowing	1,488.76	2,703.44	2,337.14	1,455.83	3,235.12
Net Fixed Assets (Net Block including CWIP)	103.91	100.89	99.63	94.78	88.71
Non-Current Assets	33,689.92	30,036.56	27,629.24	24,882.62	21,914.47
Cash and Cash Equivalents	47.51	140.72	81.18	71.74	526.77
Current Investments	-	-	-	-	-
Current Assets	5,632.23	5,847.59	5,484.13	5,330.91	5,034.68
Current Liabilities	4,429.60	5,281.52	6,178.14	3,386.67	6,191.02
Assets under Management and Off Balance Sheet Assets	N.A	N.A	N.A	N.A	N.A
Interest Income	3,472.94	3,187.43	3,311.85	2,918.23	2,830.99
Interest Expense	1,970.00	1,856.39	1,758.63	1,654.73	1,544.61
Provisioning ***	297.33	129.20	273.80	9.18	135.39
Profit before tax (PBT)	1,175.00	1,077.10	1,180.94	1,115.97	1,041.99
Profit after tax (PAT)	841.81	783.79	777.63	726.34	700.56
Gross NPA (%)	6.02%	6.68%	6.25%	6.76%	5.69
Net NPA (%)	1.15%	2.06%	1.59%	2.52%	0.83
Tier I Capital Adequacy Ratio (%)	58.55	63.85	50.46	27.85	23.24
Tier II Capital Adequacy Ratio (%)	0.00	0.00	0.00	0.00	0.00
Dividend declared/paid	110.02****	100.01	100.01	100.01	150.00
Interest Coverage Ratio (%) - PBIT/Interest Expense	1.60	1.58	1.67	1.67	1.67

* Excluding Capital (KFW) Reserve

**Short term borrowings include Cash Credit/Overdraft facilities, Short Term loans and Commercial papers of Rs. 1,740 crore.

***Provisioning relate to provision on loans, debtors and investments.

****Including final dividend of Rs. 10.01 crore, which is in addition to the interim dividend of Rs. 100.01 crore already declared and paid in the month of March, 2017, thereby making the total dividend for the financial year 2016-17 to Rs. 110.02 crore.

VI. DEBT EQUITY RATIO (STANDALONE BASIS)

(Rs. in crore)			
Particulars	As on March 31, 2017	As on December 31, 2017 (Unaudited)	Post-Issue *
Short term debt	1,740.00	4,652.18	4,652.18
Long term debt	26,692.43	27,647.97	30,997.97
Total debt	28,432.43	32,300.15	35,650.15
Shareholder's Fund			
Share capital	2,001.90	2,001.90	2,001.90
Reserves and surplus excluding KFW reserve	7,105.39	7,669.88	7,669.88
Total shareholders' funds	9,107.29	9,671.78	9,671.78
Long term debt/ equity	2.93	2.86	3.21
Total debt/ equity	3.12	3.34	3.69

* Considering issue of Taxable bonds of Rs. 675 crore on 21.02.2018 for a tenor of 3 year 1 month and 25 days, Taxable bonds of Rs. 715 crore issued/allotted on 12.03.2018 for a tenor of 1 year and 3 months, taxable bonds of Rs. 1500 crore for a tenor of 2 years issued/allotted on 19.03.2018 and the present issue of taxable bonds of Rs. 460 crore to be allotted on 27.03.2018.

VII. HISTORY AND CERTAIN CORPORATE MATTERS

7.1 Our Company was incorporated as Housing and Urban Development Finance Corporation Private Limited on April 25, 1970 as a private limited company under the Companies Act and was granted a certificate of incorporation by the then Registrar of Companies, Delhi. Subsequently the name of our Company was changed to its present name and a fresh certificate of incorporation dated July 9, 1974 was issued by the then Registrar of Companies, Delhi and Haryana. The corporate identification number of our Company is L74899DL1970GOI005276. Our Company was notified as a public financial institution under Section 4A of the Companies Act, on December 9, 1996.

7.2 Major Events

Calendar Year	Details
1970	Incorporation of our Company.
1977	The introduction of rural housing schemes for providing loan assistance for construction of rural houses.
1986	Established the Human Settlement Management Institute, the research, and training division of our Company.

Calendar Year	Details
1988	Commenced urban infrastructure financing.
1996	Notified as a public financial institution under Section 4A of the Companies Act, 1956 by the Department of Company Affairs, Ministry of Finance, GoI.
1999	Started retail financing under our brand name HUDCO Niwas.
2004	Conferred “Mini-Ratna Status” for Category-1 public sector enterprise.
2012	<ul style="list-style-type: none"> PAT crossed Rs. 600 crore. Raised Rs. 5,000 crore through an issue of tax-free bonds, as allocated by the CBDT in its budget allocation for the year 2011-2012, including Rs. 4,684.72 crore raised through a public issue of tax-free bonds.
2013	<ul style="list-style-type: none"> PAT crossed Rs. 700 crore. Raised Rs. 2,401.35 crore through a public issue of tax-free bonds, as allocated by the CBDT in its budget allocation for the year 2012-2013.
2014	Raised Rs. 4,987.12 crore through an issue of tax-free bonds, as allocated by the CBDT in its budget allocation for the year 2013-2014, including Rs. 4,796.32 crore raised through a public issue of tax-free bonds.
2016	Raised Rs. 5,000 crore through an issue of tax-free bonds, as allocated by the CBDT in its budget allocation for the year 2015-2016, including Rs. 3,500 crore raised through a public issue of tax-free bonds.
2017	PAT crossed Rs. 800 crore.

7.3 Awards and recognitions

Our Company has won several awards and recognitions over the years. Few of the major awards and recognitions are as follows:

- Received ‘UN-Habitat Scroll of Honor’ from the United Nations Human Settlements Program in 1991 for outstanding contributions in the field of human settlements.
- Received the ‘Prime Minister’s MOU Award for Excellence in Performance (1998 - 1999)’ in 2000 for being among the top ten public sector institutions in performance.
- Received the ‘Prime Minister’s award for Urban Planning and Design’ in 2000 for design of satellite township of Jammu.
- Conferred the ‘Mini-Ratna Status’ in the year 2004-05 for Category-1 public sector enterprise.

7.4 Our main objects

Our main objects, as contained in clause III(A) of our Memorandum of Association, are:

1. to provide long term finance for construction of houses for residential purposes or finance or undertake housing and urban development programmes in the country;
2. to finance or undertake, wholly or partly, the setting up of new or satellite towns;
3. to subscribe to the debentures and bonds to be issued by the state housing (and/or urban development) boards, improvement trusts, development authorities etc., specifically for the purpose of financing housing and urban development programmes;
4. to finance or undertake the setting up of industrial enterprises of building material;
5. to administer the moneys received, from time to time, from the Government of India and other sources as grants or otherwise for the purposes of financing or undertaking housing and urban development programmes in the country;
6. to promote, establish, assist, collaborate and provide consultancy, services for the projects of designing and planning of works relating to housing and urban development programmes in India and abroad;
7. to undertake business of Venture Capital Fund in Housing and Urban Development Sectors facilitating innovations in these sectors and invest in and/or subscribe to the units/shares etc. of Venture Capital Funds promoted by Government/Government Agencies in the above areas; and
8. to setup HUDCO’s own Mutual Fund for the purpose of Housing and Urban development programmes and/or invest in, and/or subscribe to the units etc. of Mutual Funds Funds promoted by Government/Government Agencies for the above purpose.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

7.5 Holding company

Our Company does not have a holding company.

7.6 Our Promoter

Our Promoter is the President of India. Our Promoter holds 89.81% equity share capital of our Company, either directly or through nominee shareholders.

Promoter holding in the Company as on the date is as under:

S. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	No. of Equity Shares pledged	Percentage of Equity Shares pledged	Total shareholding as a percentage of the total number of Equity Shares
	President of India (POI) acting through					
1.	the MoHUA	1,38,28,40,553	1,38,28,40,553	Nil	Nil	69.08
2.	the MoRD	41,50,00,000	41,50,00,000	Nil	Nil	28.73
3.	PoI (MoHUA) through Nominee- Mr. Rajiv Ranjan Mishra	100	100	Nil	Nil	Negligible
4.	PoI (MoHUA) through Nominee- - Mrs. Jhanja Tripathy	100	100	Nil	Nil	Negligible
5.	PoI (MoHUA) through Nominee- - Mr. Satinder.Pal Singh	100	100	Nil	Nil	Negligible
6.	PoI (MoHUA) through Nominee- - Mr. T.K. Majumdar	100	100	Nil	Nil	Negligible
7.	PoI (MoHUA) through Nominee- - Ms Archana Mittal	100	100	Nil	Nil	Negligible
8.	PoI (MoHUA) through Nominee- - Mr. S.B Sinha	100	100	Nil	Nil	Negligible
9.	PoI (MoHUA) through Nominee- - Mr. Ramesh Chand	100	100	Nil	Nil	Negligible
	Total	1,79,78,41,253	1,79,78,41,253			89.81%

7.7 Details of Shares allotted to our Promoters during the last three Financial Years

Nil

7.8 The proceeds out of the sale of shares of the Company previously held by each of the promoters

Date of Allotment	No. Of Equity Shares	Face Value (Rs. In crore)	Issue Price (Rs.in crore)	Consideration (Cash, other than cash, etc)	Nature of Allotment
17.05.2017	204058747	204.06	1209.78	NA	Initial Public Offer- Disinvestment by Government of India Shareholding to the extent of 10.193%

7.9 Our Subsidiaries

Our Company does not have any subsidiaries.

7.10 Our Associates

HUDCO has one Associate company viz “Ind Bank Housing Ltd” (IBHL). HUDCO has Rs. 2.50 crore investments in IBHL (25% of its paid up capital). The aforesaid investment is appearing in the books of HUDCO at Rs. 1/- only. Further, the proposal of merger of Ind Bank Housing Ltd. into “Indian Bank”, the promoter of IBHL, which has been approved and further necessary action on the above is to be taken by IBHL and Indian Bank. Post IBHL’s merger into Indian Bank, IBHL will no more be associate company of HUDCO.

7.11 Our Joint Ventures

Our Company has entered into four joint venture agreements pursuant to which the following companies have been incorporated:

1. Shristi Urban Infrastructure Development Limited.
2. Pragati Social Infrastructure and Development Limited.
3. Signa Infrastructure India Limited.

However, the Board in its meeting held on April 8, 2015 decided that the possibility to exit out from the ventures where the Company has equity participation and are not yielding any return or where ventures are non-functional/ non-viable be examined and accordingly the Board in its meeting held on November 11, 2015 approved exit from all Joint Venture companies..

The details of three joint venture agreements are described hereinbelow.

a) Joint venture agreement dated June 2, 2005 between Shristi Infrastructure Development Corporation Limited (“Shristi”) and our Company

Shristi and our Company entered into a joint venture agreement to set up a joint venture company by the name of Shristi Urban Infrastructure Development Limited (“SUIDL”) for, among other things, promoting, establishing, constructing and acting as a special purpose vehicle for entering into understanding and joint ventures with various governmental bodies for infrastructural development such as creation, expansion and modernization of housing, commercial, social and urban development facilities and for development of tourism and entertainment infrastructure projects in India and abroad.

As per the terms of the joint venture agreement, our Company and Shristi shall hold 40% and 60% respectively of the equity share capital of SUIDL. While Shristi shall have the option to sell its shareholding in SUIDL only after three years from the date of commencement of business of SUIDL, our Company shall have the option to sell its shareholding in SUIDL at any point of time. However, in case of sale by either party, the shares are to be first offered to the other existing shareholder of SUIDL.

Further, as per the terms of the joint venture agreement, our Company shall provide consultancy on technical aspects including designing and drawing for the assignments undertaken by SUIDL. Shristi shall carry the responsibility of the construction, development and other related work to be carried on by SUIDL. Furthermore, SUIDL is prohibited from competing with our Company in respect of its existing and proposed activities.

(b) Joint venture agreement dated March 29, 2005 between Pragati Growth & Development Company Limited (“Pragati”) and our Company

Pragati and our Company entered into a joint venture agreement to set up a joint venture company by the name of Pragati Social Infrastructure and Development Limited (“PSIDL”) for, among other things, assisting in the creation, expansion and modernization of infrastructure facilities including infrastructure for senior citizens residencies, health & education infrastructure, and providing financial assistance to industrial and other enterprises for infrastructure development.

As per the terms of the joint venture agreement, our Company and Pragati shall hold 26% and 74% respectively of the equity share capital of PSIDL. Our Company shall have the option to sell its shareholding in PSIDL at any time within a period of seven years from the date of commencement of the business of PSIDL, provided that the shares shall be first offered to Pragati.

Further, as per the terms of the joint venture agreement, our Company’s role in PSIDL shall be to provide consultancy on technical for the assignments undertaken by PSIDL. Pragati shall carry the responsibility of developing the business and working out strategic tie-ups with other parties.

(c) Joint venture agreement dated May 22, 2006 between Marg Constructions Limited (“Marg”) and our Company

Marg and our Company entered into a joint venture agreement to set up a joint venture company by the name of Signa Infrastructure India Limited (“SIIL”) for, among other things, promoting, establishing, constructing and acting as a special purpose vehicle for entering into understanding and joint ventures with various governmental bodies for infrastructural development such as creation, expansion and modernization of housing, commercial, social and urban development facilities and for development of tourism and entertainment infrastructure projects in India and abroad.

As per the terms of the joint venture agreement, our Company and Marg shall hold 26% and 74% respectively of the equity share capital of SIIL. Both the parties shall have the option to sell their respective equity shares held in SIIL with mutual consent at any time after three years from the date of acquiring the equity shares of SIIL. However, in case of sale by either party, the shares are to be first offered to the other shareholder of SIIL.

Further, as per the terms of the joint venture agreement, Marg shall carry the responsibility of the construction, development and other related work to be carried on by SIIL and shall also provide technological, financial, managerial and other expertise to SIIL. Furthermore, SIIL is prohibited from competing with our Company in respect of its existing and proposed activities.

7.12 Material Agreements

Memorandum of understanding with Ministry of Housing & Urban Poverty Alleviation, Government of India (“MoHUPA”):

Our Company enters into an annual memorandum of understanding with the MoHUA. This memorandum of understanding is a negotiated agreement between the MoHUA and our Company and sets out certain targets based on financial and non-financial parameters (“**MoU Targets**”). At the end of the year, the performance of our Company is evaluated vis-à-vis the MoU Targets. For the Fiscal 2018, the memorandum of understanding with the MoHUA was signed on July 10, 2017 (“**MoU**”).

7.13 Our Statutory Auditors

Details of the Statutory Auditor of the Company:

Name	Address and Contact Details	Auditor Since
Prem Gupta & Company, Chartered Accountants	4, Shivaji Marg, Najafgarh Road, New Delhi-110015 Telephone: +91 11 25422417, 45017187 Fax: +91 11 25915557, 25281879 E-mail : pguptaco@yahoo.co.in, office@pguptaco.com	September 28, 2017

7.14 Change in auditors of our Company during the last three years

Name	Address	Date of appointment/ resignation/ cessation	Auditor of the Company since
Dhawan & Co., Chartered Accountants	312, Wegmans House, 21 Veer Savarkar Block, Shakarpur, New Delhi - 110 092	September 28, 2017	July 29, 2013
Prem Gupta & Company, Chartered Accountants	4, Shivaji Marg, Najafgarh Road, New Delhi-110015	September 28, 2017	September 28, 2017

7.15 Interest of Key Managerial Persons/Promoters in the Offer

NIL

7.16 Details of any litigations or legal actions pending or taken by any Ministry or Department of the Government or a statutory authority against the promoters of the Issuer during the last 3 (three) years immediately preceding the year of the circulation of this Private Placement Offer Letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

The Promoter of the Company is President of India hence, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Company during the last three years.

7.17 Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interest of other persons.

None of the Promoter, Directors, or key managerial personnel of the Issuer has any financial or other material interest in the Issue.

7.18 Details of Any Investigation/Inquiry Conducted under Companies Act, 2013 and previous company law during the last three years immediately preceding the year of circulation of this Private Placement Offer Letter in the case of the Company and all of its subsidiaries. Also, if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Private Placement Offer Letter and if so, section- wise details thereof for the Company and all its subsidiaries.

No investigation, inquiry or investigation have been initiated or conducted, or prosecution has been filed, or fines imposed, against our Company under the Companies Act, 2013 or the Companies Act, 1956 during the period of three years preceding the date of this Private Placement offer letter. Further, no compounding applications have been filed by our Company in the last three years immediately preceding the date of this Private Placement offer letter.

7.19 Material Frauds against our Company

No material frauds have been committed against our Company during the past three years, although during 2014-15, there are few instances of loan becoming doubtful of recovery consequent upon fraudulent misrepresentation by the borrowers, as appearing in the "Independent Auditors Report" for that respective financial year, the details of which is as under:

FY 2014-15	No material fraud on or by the company has been noticed or reported during the year, although there had been three instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers amounting to Rs. 57.42 crore. The legal proceedings are under progress. However, the amounts are not material in the context of the size of the company and the nature of its business and which have been provided for to the extent of Rs. 23.03 crore.
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7.20 Related Party Transactions

The details of related party transactions entered during the last 3 financial years immediately preceding the year of circulation of offer letter with regard to loans made or guarantees given or securities provided is given herein below:

	<i>Amt. in Rs. crore</i>		
	31 st March 2017	31 st March 2016	31 st March 2015
Details of Transactions with the related parties:			
Investments			

	31 st March 2017	31 st March 2016	31 st March 2015
Shristi Urban Inf.Dev.Ltd.	2.00	2.00	2.00
Pragati Social Infrastructure and Development Limited.	0.13	0.13	0.13
MCM Infrastructure Private Limited.	0.00	0.26	0.26
Signa Infrastructure India Limited.	0.013	0.013	0.013
Loans & Advances			
Srishti Udaipur Hotels Pvt. Ltd. (A subsidiary Company of Shristi Urban Inf.Dev.Ltd.)	4.79	4.79	4.79
Key Managerial Personnel	0.11	0.02	0.08

7.21 Project cost and means of financing, in case of funding of new projects: NA

7.22 Details of all defaults in repayment

S. No.	Details of default	Duration	Amount Involved	Present Status of Repayment
A	Statutory Dues	Refer note below		
B	Debentures and Interest thereon	NIL	NIL	NIL
C	Deposits and Interest thereon	NIL	NIL	NIL
D	Loan from any bank or financial institution and interest thereon	NIL	NIL	NIL
Default and non – payment of statutory dues: Except as stated below, there are no instances of default or non-payment of statutory dues by our Company: Our Company has delayed in payment of certain statutory dues, which are as set forth in “Risk Factors- In the event that our contingent liabilities were to materialize, our financial condition could be adversely affected” on page no. 34.				

VIII. CAPITAL STRUCTURE

8.1 Details of equity share capital

The following table lays down details of our authorised, issued, subscribed and paid up Equity Share capital as on date:

Particulars	Aggregate value (Rs. in crores)
Authorised share capital	
2,500,000,000 equity shares of Rs.10 each (“Equity Shares”)	2,500.00
Issued, subscribed and paid up Equity Share capital	
2,00,19,00,000 Equity Shares	2,001.90
Share premium account	Nil
Before the Issue	Nil
After the Issue	Nil

8.2 Details of change in authorized share capital

There have been no changes in our authorized Equity Share capital in the last five years.

8.3 Details of the allotments made by the Company in the last one year is as under:

Date of Allotment	No. Of Equity Shares	Face Value (Rs. In crore)	Issue Price (Rs.in crore)	Consideration (Cash , other than cash, etc)	Nature of Allotment
17.05.2017	204058747	204.06	1209.78	NA	Initial Public Offer- Disinvestment by Government of India Shareholding to the extent of 10.193%

8.4 This is an issue of Private Placement of Bonds and it will not have any effect on the Paid-up Capital and Share Premium Account.

8.5 NOTES TO CAPITAL STRUCTURE:

8.5.1 Equity Share capital history of our Company

There have been no changes in the paid-up Equity Share capital of our Company in the last five years.

8.5.2 Shareholding pattern of Our Company and details of the shareholders:

The following is the shareholding pattern and list of the Equity Shareholders (including Promoter Holding) of our Company, as on quarter end date (31.12.2017):

S.No	Category of Shareholder	No. of Shareholders	Total No. of shares	No. of shares held in dematerialized form	Total shareholding as a % of total no. of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B) ¹	As a % of (A+B+C)	No. of shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
(A)	Promoter and Promoter Group²							
1	Indian							
	(a) Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0.00
	(b) Central Government/ State Government(s)	1	1797841253	1797841253	89.81	89.81	0	0.00
	(c) Bodies Corporate	0	0	0	0.00	0.00	0	0.00
	(d) Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
	(e) Any Others							
	Sub Total(A)(1)	1	1797841253	1797841253	89.81	89.81	0	0.00
2	Foreign							
	(a) Individuals (Non-Residents Individuals/ Foreign Individuals)							
	(b) Bodies Corporate	0	0	0	0.00	0.00	0	0.00
	(c) Institutions	0	0	0	0.00	0.00	0	0.00
	(d) Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
	(e) Any Others	0	0	0	0.00	0.00	0	0
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1	1797841253	1797841253	89.81	89.81	0	0.00
(B)	Public shareholding							
1	Institutions							
	(a) Mutual Funds/ UTI	8	37992839	37992839	1.90	1.90	0	0.00
	(b) Alternate Investment Funds	0	0	0	0.00	0.00	0	0.00
	(c) Financial Institutions / Banks	10	4223103	4223103	0.21	0.21	0	0.00
	(d) Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
	(e) Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
	(f) Insurance Companies	12	4034561	4034561	0.20	0.20	0	0
	(g) Foreign Institutional Investors/ Foreign Portfolio investors	11	7393317	7393317	0.37	0.37	0	0.00
	(h) Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
	(i) Qualified Foreign Investor						0	0.00
	(j) Any Other						0	0.00
	Sub-Total (B)(1)	41	53643820	53643820	2.68	2.68	0	0.00
2	Non-institutions							
	(a) Bodies Corporate	1256	27603560	27603560	1.38	1.38	0	0.00
	(b) NBFCs registered with RBI	14	2021611	2021611	0.10	0.10	0	0.00
	(c) Individuals							
	(k) Individual shareholders holding nominal share capital up to Rs 1 lakh	276843	96417346	96408578	4.82	4.82	0	0.00
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	249	11793912	11793912	0.59	0.59	0	0.00
	(d) Qualified Foreign Investor	0	0	0	0.00	0.00	0	0
	(e) Any Other						0	0.00
	(e-i) Employees	389	1148889	1148889	0.06	0.06	0	0.00
	(e-ii) NRI	2345	3358556	3358556	0.17	0.17	0	0.00
	(e-iii) Trusts	10	56162	56162	0.00	0.00	0	0.00
	(e-iv) Foreign Nationals	1	1500	1500	0.00	0.00	0	0.00

S.No	Category of Shareholder	No. of Shareholders	Total No. of shares	No. of shares held in dematerialized form	Total shareholding as a % of total no. of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B) ¹	As a % of (A+B+C)	No. of shares	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)* 100
	(e-v) HUF	9671	5764830	5764830	0.29	0.29	0	0.00
	(e-vi) Clearing Members	374	2248561	2248561	0.11	0.11	0	0.00
	Sub-Total (B)(2)	291152	150414927	150406159	7.51	7.51	0	0.00
	Total Public Shareholding (B)= (B)(1) +(B)(2)	291193	204058747	204049979	10.19	10.19	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	1. Promoter and Promoter Group	0	0	0	0	0	0	0.00
	2. Public	0	0	0	0	0	0	0.00
	Sub-Total (C)	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	291194	2001900000	2001891232	100.00	100.00	0	0.00

8.5.3 Except as stated below none of our directors holds equity shares of our company:

S. no.	Name of shareholder	No. of Equity Shares held
1.	Mr. Rajiv Ranjan Mishra	100
2.	Mrs. Jhanja Tripathy	100
3.	Mr. Nand Lal Manjoka	4,000

8.5.4 None of the Equity Shares are pledged or otherwise encumbered.

8.5.5 Our Company has not undertaken any acquisition or amalgamation in the last one year prior to filing of this Private Placement Offer Letter.

8.5.6 Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Private Placement Offer Letter.

8.5.7 List of top 10 holders of equity shares (including Promoter holding) of the Company as on the latest quarter ended date (31.12.2017):

S. No.	Particulars	Total No. of Equity Shares	No. of shares in demat form	Total Shareholding as % of total no. of equity shares
1.	President of India acting through MOHUA and MORD and its nominees	1797841253	1797841253	89.81
2.	SBI Blue Chip Fund	12400000	12400000	0.62
3.	SBI Magnum Midcap Fund	5881540	5881540	0.29
4.	L & T Mutual fund Trustee Ltd- L & T India Value Fund	5566736	5566736	0.28
5.	Government of Singapore	4695961	4695961	0.23
6.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Midcap Fund	4193941	4193941	0.21
7.	HDFC Standard Life Insurance Company Ltd.	4021200	4021200	0.20
8.	Sundaram Mutual Fund A/C Sundaram Rural India Fund	3000000	3000000	0.15
9.	Life Insurance Corporation of India	2618471	2618471	0.13
10.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	2528000	2528000	0.13

8.5.8 Dividends declared by the Company in respect of the last 3 (three) Financial Years

The following table sets forth the dividend declared by the Company for the Fiscal 2017, 2016 and 2015.

Fiscal 2017	Fiscal 2016	Fiscal 2015
Rs. 110.02 crore*	Rs. 100.01 crore	Rs. 100.01 crore
* Including final dividend of Rs. 10.01 crore, which is in addition to the interim dividend of Rs.100.01 crore already declared and paid in the month of March, 2017, thereby making the total dividend for the financial year 2016-17 to Rs.110.02 crore.		

8.5.9 Details of the interest coverage ratio for last three years (PBIT/ Interest expense)

The following table sets forth the interest coverage ratio for the Fiscal 2017, 2016 and 2015.

Fiscal 2017	Fiscal 2016	Fiscal 2015
1.60	1.58	1.67

IX. OUR MANAGEMENT

9.1 Board of Directors

Pursuant to the Articles of Association, our Company is required to have not less than three directors and not more than fifteen Directors. Currently, our Company has ten Directors on the Board out of which three are functional Directors (including Chairman & Managing Director), two are Part-time Official Independent Directors and five are Part-time Non Official Directors.

The following table sets forth details regarding the Board as on date of this private placement offer letter.

S. No	Name/DIN/Address/ Occupation	Date of Birth	Date of Appointment	Designation	Other Directorships
1.	Dr. Ravi Kanth Medithi <i>DIN:</i> 01612905 <i>Address:</i> Flat No. 235, Asian Games Village Complex, (AGVC), Asiad Village, New Delhi - 110049 <i>Occupation:</i> Service	November 25, 1960	April 11, 2014	Chairman & Managing Director	<ul style="list-style-type: none"> Delhi Mumbai Industrial Corridor Development Corporation Limited Bangalore Metro Rail Corporation Ltd. (BMRCL)
2.	Mr. Nand Lal Manjoka <i>DIN:</i> 06560566 <i>Address:</i> H.No. C-19, Ground Floor, Jungpura Extension SO, South Delhi, (Near Sanatan Dharam Mandir) New Delhi - 110014 <i>Occupation:</i> Service	November, 15, 1958	April 11, 2013	Director Corporate Planning	Nil
3.	Mr. Rakesh Kumar Arora <i>DIN:</i> 02772248 <i>Address:</i> Pocket-K, Flat No. 39, Sarita Vihar, New Delhi-110076 <i>Occupation:</i> Service	December 1, 1959	October 1, 2015	Director Finance	Nil
4.	Mr. Rajiv Ranjan Mishra <i>DIN:</i> 06480792 <i>Address:</i> D-1/101, Satya Marg, Chanakyapuri, New Delhi-110021 <i>Occupation:</i> Service	January 1, 1962	March 10, 2015	Part-time Official Government Director	<ul style="list-style-type: none"> Hindustan Prefab Limited

S. No	Name/DIN/Address/ Occupation	Date of Birth	Date of Appointment	Designation	Other Directorships
5.	Ms. Jhanja Tripathy DIN: 06859312 Address: 5/B, Railway Officers Colony, Tilak Bridge, New Delhi- 110001 Occupation: Service	July 15, 1960	May 3, 2014	Part-time Official Government Director	<ul style="list-style-type: none"> Hindustan Prefab Limited Kolkata Metro Rail Corporation Limited NBCC (India) Ltd. Mumbai Metro Rail Corporation Ltd. Maharashtra Metro Rail Corporation Limited Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd. Lucknow Metro Rail corporation LTD (LMRC)
6.	Mr. Mukesh Maganbhai Arya DIN: 02753885 Address: DX-85, Kendriya Vihar, Sector-56, Gurugram-122011, Haryana Occupation: Business	November 23, 1955	June 17, 2016	Part-time Non Official Independent Director	<ul style="list-style-type: none"> Red Flag Oversight Consultancy Services Private Ltd.
7.	Prof. Chetan Vamanrao Vaidya DIN: 07550281 Address: Director Bungalow, SPA Housing Complex, New Friends Colony, Taimor Nagar, New Delhi-110065 Occupation: Service	June 7, 1953	June 22, 2016	Part-time Non Official Independent Director	Nil
8.	Mr. Amarishkumar Govindlal Patel DIN: 07591533 Address: 13/E, Shayona Park, Opposite Vaibhave Bungalow, Near Sun and Step Club, Memnagar, Ahmedabad, Gujarat Occupation: Business	May 24, 1960	August 16, 2016	Part-time Non Official Independent Director	Nil
9.	Smt. Pratima Dayal DIN: 06992866 Address: C-37, Ground Floor, South Extension, Part-II, Andrews ganj, South Delhi, New Delhi 110049, India Occupation: Retired IAS Officer	June 11, 1949	April 18, 2017	Part-time Non Official Independent Director	<ul style="list-style-type: none"> Designated Partner in Mirabelle Arts Limited Liability Partnership
10	Dr. Sudip Kumar Nanda DIN: 00315376 Address: 528/2, 'CH', Sector 8, Gandhi nagar 382008, Gujarat, India Occupation: Retired IAS Officer	February 1, 1956	April 18, 2017	Part-time Non Official Independent Director	<ul style="list-style-type: none"> Accelency Edutech Foundation Sajjan India Limited

As per the Articles of Association, the President of India shall appoint the chairman and such other Directors in consultation with the chairman provided no such consultation is necessary in respect of government representatives on the board of directors of our Company. The President may, from time to time, appoint a managing director and other whole-time director/directors on such terms and remuneration (whether by way of salary or otherwise) as he may think fit. Besides this, there are no arrangements or understanding with major customers, suppliers or others, pursuant to which any of the Directors were selected as a Director or a member of the senior management.

9.2 Brief Profiles of Board of Directors

1. **Ravi Kanth Medithi**, IAS (r), aged 57 years, is the Chairman and Managing Director of our Company. He has been associated with our Company since April 11, 2014. He holds a Bachelor's degree in Arts (Economics) from Andhra University, a Bachelor's degree in Law from University of Delhi, a Master's degree in Arts (Economics) from Andhra University, a Master's degree in Business Administration (Finance) from Melbourne, Australia and a Doctorate in Agri-Exports from Andhra University. He has over 33 years of experience in public administration and has held various positions with government organisations, including, the Projects and Development India Limited as its Chairman and Managing Director and the Nuclear Fuel Complex, Department of Atomic Energy as its Deputy Chief Executive. He has also held various positions with the GoI, Government of Kerala and the Government of the National Capital Territory of Delhi, including Principal Secretary to Government of Kerala and Joint Secretary, Ministry of Power, GoI.
2. **Nand Lal Manjoka**, IRTS (Ex.), aged 59 years, is the Director (Corporate Planning) of our Company. He has been associated with our Company since April 11, 2013. He holds an Executive Master's degree in International Business from the Indian Institute of Foreign Trade, New Delhi and a Post Graduate diploma in Banking and Insurance. He has over 35 years of experience in construction, planning, business development, and operations. He has in the past been associated with Container Corporation of India as its Executive Director (Planning and Business Development). He is also an Fellow Member of the Institute of Engineers, India.
3. **Rakesh Kumar Arora**, aged 58 years, is the Director (Finance) and CFO of our Company. He has been associated with our Company since October 1, 2015. He holds a Bachelor's degree in Commerce (Honours) from Delhi University. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of Institute of Company Secretaries of India. Prior to joining our Company, he was working with the Rural Electrification Corporation Limited as its Executive Director (Finance). He has over 33 years of experience in the finance sector, including corporate accounts, investor relations, credit appraisal of power projects relating to generation, transmission and distribution, corporate social responsibility and corporate planning. He has handled multiple assignments, including, resource mobilization from domestic and foreign sources, treasury management and hedging of foreign currency exposure. Additionally, he has also handled responsibilities of internal audit and company secretary.
4. **Rajiv Ranjan Mishra**, IAS, aged 56 years, is a Government Nominee Director of our Company. He has been associated with our Company since March 10, 2015. He holds a Bachelor's degree in Mechanical Engineering from IIT Kanpur, India and Certificate(s) in Advanced Studies in Public Administration, Public Budgeting and Project Management. He has over 31 years of experience with various ministries and government departments and in the past, has been associated with the Infrastructure and Investment Department as its Principal Secretary and with the National Mission for Clean Ganga as the Ex-Officio Mission Director.
5. **Jhanja Tripathy**, IRAS, aged 57 years, is a Government Nominee Director of our Company. She has been associated with our Company since May 3, 2014. She holds a Post Graduate Diploma in Industrial Relations and Personnel Management and a Master's degree in Psychology. She has over 31 years of experience in finance, vigilance and administrative functions. She has in the past held various positions with various ministries of the GoI.
6. **Mukesh Maganbhai Arya**, IA&AS (r) aged 62 years, is an Part-time Non-Official Independent Director of our Company. He has been associated with our Company since June 17, 2016. He holds Bachelor's degrees in Commerce and Law from the University of Bombay and is an associate member of the Institute of Cost and Works Accountants of India. He holds a Certification in Fraud Examination (CFE) from the Association of Certified Fraud Examiners, Texas, USA and a Certification in Internal Audit from the Institute of Internal Auditors, USA. He has over 36 years of experience in public administration and accountancy. He has in the past, held various positions such as the Accountant General of Assam, Meghalaya, Arunachal Pradesh and Mizoram, Principal Director of Audit for Direct Taxes, Principal of Director Training, research and IT audit in the office of the Comptroller and Auditor General of India and Director, UNRWA. He is also an Independent Member of the World Health Organisation Advisory Committee and the Director and Treasurer of Association of Certified Fraud Examiners (India Chapter).
7. **Chetan Vamanrao Vaidya**, aged 64 years, is an Part-time Non-Official Independent Director of our Company. He has been associated with our Company since June 22, 2016. He holds a Bachelor's degree in Architecture from the MS University of Baroda and a Master's degree in City Planning from the Indian Institute of Technology, Kharagpur. He has wide experience in architecture and has in the past held positions such as the chairman of the All India Council of Technical Education. Presently, he holds the position of the Director, School of Planning and Architecture, New Delhi.

8. **Amarishkumar Govindlal Patel**, aged 57 years, is an Part-time Non-Official Independent Director of our Company. He has been associated with our Company since August 16, 2016. He holds a Bachelor's degree in Commerce from Gujarat University. He has business experience in the trade of chemicals, in the state of Gujarat. He is a former member of Gujarat Legislative Assembly, having been elected in 1998 from the Asarwa constituency.
9. **Pratima Dayal, IAS (r)** aged 68 years, is an Part-time Non-Official Independent Director of our Company. She has been associated with our Company since April 18, 2017. She holds a Bachelor's degree in Economics from University of Delhi., a master's degree in History from University of Delhi, and a Master's degree in Agriculture Economics from Cornell University, New York, USA. She has over 45 years of experience in the development sector, with the GoI and international organisations. She has in the past been associated with the Asian Development Bank as its principal economist. She was also formerly a member of the Indian Administrative Services, and has worked in multiple areas, including agriculture and natural resource management, rural finance and rural infrastructure.
10. **Sudip Kumar Nanda, IAS (r)**, aged 62 years, is an Part-time Non-Official Independent Director of our Company. He has been associated with our Company since April 18, 2017. He holds Bachelor's and Master's degrees in Law from Gujarat University, a Master's degree in Political Science from the University of Delhi, and a Doctorate in Rural Economics. He has over 30 years of experience and has, in the past, been associated with Gujarat State Fertilizer and Chemicals Limited as its Chairman and Managing Director and the Gujarat State Financial Corporation as Managing Director. He was formerly an officer of the Indian Administrative Services and has worked with various government departments, including in his capacity as Additional Chief Secretary, Home; Principal Secretary, Food & Civil Supply, Forest & Environment and Health. He is also a recipient of, among others, the India CEO Award, 2015, the Udyog Ratna Award and the Golden Peacock Award.

9.3 Changes in Board during the last three years

S. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Remarks
1.	Mr. Veerappa Parameshwarappa Baligar	00850615	Chairman & Managing Director	April 11, 2011	April 10, 2014	Ceased to be a director as the term of the directorship has been completed
2.	Prof. Dinesh Bhikhubhai Mehta	01957927	Part time Non Official Independent Director	January 16, 2012	January 15, 2015	Ceased to be a director pursuant to the notification by the then MoHUPA, GOI
3..	Mr. Virender Ganda	01013057	Part time Non Official Independent Director	February 9, 2012	February 8, 2015	Ceased to be a director pursuant to the notification by the then MoHUPA, GOI
4..	Prof. Sukhadeo Thorat	06414412	Part time Non Official Independent Director	October 10, 2012	October 9, 2015	Ceased to be a director pursuant to the notification by the then MoHUPA, GOI
5..	Mr. Naresh Salecha	00843812	Part-time Official Government Director	January 2, 2013	May 3, 2014	Ceased to be a director pursuant to the notification by the then MoHUPA, GOI
6.	Mr. N.L.Manjoka	06560566	Director Corporate Planning	April 11, 2013	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI
7.	Mr. A.K. Kaushik	06600755	Director Finance	May 30, 2013	September 30, 2015	Ceased to be a director on attaining the age of superannuation/retirement.
8.	Mr. Karan Bir Singh Sidhu	03128133	Part-time Official Government Director	August 30, 2013	December 15, 2014	Ceased to be a director pursuant to the notification by the then MoHUPA, GOI
9.	Dr. Ravi Kanth Medithi	01612905	Chairman & Managing Director	April 11, 2014	Continuing	Appointment pursuant to the notification by MoHUPA, GOI
10.	Smt. Jhanja Tripathy	06859312	Part-time Official Government Director	May 3, 2014	Continuing	Appointment pursuant to the notification by the then MoHUPA,

S. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Remarks
						GOI
11.	Dr. Sameer Sharma	02749958	Part-time Official Government Director	December 15, 2014	February 17, 2015	Ceased to be a director pursuant to the notification by the then MoHUPA, GOI
12.	Mr. Sanjeev Kumar	01866640	Part-time Official Government Director	February 17, 2015	March 10, 2015	Ceased to be a director pursuant to the notification by the then MoHUPA, GOI
13.	Mr. Rajiv Ranjan Mishra	06480792	Part-time Official Government Director	March 10, 2015	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI
14.	Mr. Rakesh Kumar Arora	02772248	Director Finance	October 1, 2015	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI
15.	Mr. Anand Kamalnayan Pandit	00015551	Part-time Non-Official Independent Director	June 17, 2016	February 10, 2017	Ceased to be a director pursuant to the resignation
16.	Mr. Mukesh Maganbhai Arya	02753885	Part-time Non-Official Independent Director	June 17, 2016	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI
17.	Prof. Chetan Vamanrao Vaidya	07550281	Part-time Non-Official Independent Director	June 22, 2016	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI
18.	Mr. Amarish kumar Govindlal Patel	07591533	Part-time Non-Official Independent Director	August 16, 2016	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI
19.	Smt. Pratima Dayal	06992866	Part-time Non-Official Independent Director	April 18, 2017	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI
20.	Dr. Sudip Kumar Nanda	00315376	Part-time Non-Official Independent Director	April 18, 2017	Continuing	Appointment pursuant to the notification by the then MoHUPA, GOI

9.4 Corporate Governance

Our Company has been complying with the requirements of Corporate Governance as stipulated in the guidelines on Corporate Governance issued by Department of Public of Public Enterprises (DPE), Government of India applicable to Central Public-Sector Enterprises (CPSE), from time to time. Also in compliance with Corporate governance norms prescribed under SEBI Listing Regulations.

9.5 Relationship with other Directors

None of the Directors of the Company are, in any way, related to each other.

9.6 Interests of our Directors

Except as otherwise stated in "Related Party Transactions" at page no. 21 our Company has not entered into any contract, agreements and arrangement during the three financial years preceding the date of this Private Placement Offer Letter in which the directors are interested directly or indirectly and no payments have been made to them in respect of such contracts or agreements. All our Directors, including our Part time Non-official Directors (Independent Directors), may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

9.7 None of the current directors of the Company appear on the list of willful defaulters of the RBI/ ECGC default list.

9.8 Remuneration of Directors (during the current year and last three financial years)**A. Chairman and Managing Director and Whole Time Directors**

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2018 upto 30th September 2017:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia	Other benefits	Total (Amt. in Rs.)
Dr. Ravi Kanth Medithi	23,04,917	9,24,494	32,29,411
Sh. N.L. Manjoka	24,20,770	4,59,312	28,80,082
Sh. Rakesh Kumar Arora	20,37,339	4,68,625	25,05,964

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2017:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia	Other benefits	Total (Amt. in Rs.)
Dr. Ravi Kanth Medithi	44,10,976	27,20,166	71,31,142
Sh. N.L. Manjoka	38,26,791	8,98,313	47,25,104
Sh. Rakesh Kumar Arora	21,82,938	12,16,334	33,99,272

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2016:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia	Other benefits	Total (Amt. in Rs.)
Dr. Ravi Kanth Medithi	2,593,842.00	1,073,891.00	3,667,733
Sh. N.L. Manjoka	2,667,023.00	1,435,020.00	4,102,043
Sh. Anil Kumar Kaushik (former DF)	1,104,357.00	1,942,957.00	3,047,314
Sh. Rakesh Kumar Arora	1,080,675.00	448,557.00	1,529,232

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2015:

Name of the Director	Salary & Allowances, Performance linked Incentive/ Ex-gratia	Other benefits	Total (Amt. in Rs.)
Sh. V.P. Baligar (Former CMD)	1,01,776	1,22,800	2,24,576
Dr. Ravi Kanth Medithi	19,82,946	11,07,177	30,90,123
Sh. N.L. Manjoka	32,86,923	19,15,257	52,02,180
Sh. Anil Kumar kaushik (former DF)	33,56,754	16,75,825	50,32,579

B. Remuneration of Part-time Non -Official Independent Directors

The following table sets forth the details of sitting fee paid to Part-time Non-Official Independent Directors during the Fiscal 2017:

Name of the Director	Sitting fee for board meeting	Sitting fee for committee meeting	Total (Amt. in Rs.)
Shri Mukesh M Arya	1,90,000	3,24,000	5,14,000
Prof. Chetan V Vaidya	2,10,000	2,94,000	5,04,000
Shri Amarishkumar G Patel	2,00,000	1,80,000	3,80,000
Shri Anand K Pandit	-	-	-

The following table sets forth the details of sitting fee paid to Part-time Non-Official Independent Directors during the Fiscal 2016:

Name of the Director	Sitting fee for board meeting	Sitting fee for committee meeting	Total (Amt. in Rs.)
Prof. Sukhadeo Thorat	30,000	48,000	78,000

The following table sets forth the details of sitting fee paid to Part-time Non -Official Independent Directors during the Fiscal 2015:

Name of the Director	Sitting fee for board meeting	Sitting fee for committee meeting	Total (Amt. in Rs.)
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Name of the Director	Sitting fee for board meeting	Sitting fee for committee meeting	Total (Amt. in Rs.)
Prof. Dinesh Mehta	50,000	1,12,000	1,62,000
Shri Virender Ganda	20,000	80,000	100,000
Prof. Sukhadeo Thorat	50,000	72,000	1,22,000

X. MANAGEMENT PERCEPTION OF RISK FACTORS

The investor should carefully consider all the information in this Private placement offer letter, including the risks and uncertainties described below, as well as the financial statements contained in this Private placement offer letter, before making an investment in the Bonds. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. If any of the following or any other risks actually occur, our business, prospects, results of operations and financial condition could be adversely affected and the price of, and the value of your investment in, the Bonds could decline and you may lose all or part of your investment.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where such implications are not quantifiable and hence any quantification of the underlying risks has not been disclosed in such risk factors. The numbering of risk factors has been done to facilitate the ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Bonds.

Unless otherwise stated, our financial information used in this section is derived from our Standalone Audited Financial Statements.

10.1 RISKS IN RELATION TO OUR BUSINESS

10.1.1 *If the level of NPAs in our loan portfolio were to increase, our financial condition would be adversely affected.*

As at March 31, 2017 our gross NPAs were Rs. 2,386.22 crore, or 6.02% of our outstanding loans, advances and investments in project-linked bonds (collectively, the “**Loan Portfolio**”), compared to Rs. 23,82.44 crore, or 6.68% of our Loan Portfolio, as at March 31, 2016. Further, as at March 31, 2017, our net NPAs constituted 1.15% of our Loan Portfolio, compared to 2.06% as at March 31, 2016. The above amounts and percentages do not take into account loans totaling Rs. 8,32.45 crore made to two companies (“**Excluded Loans**”), which loans would have been considered NPAs but for the interim order of the Madras High Court dated August 26, 2015, passed in the matter of R.K.M. Powergen Private Limited, and the extension of that interim order until further orders by the Madras High Court pursuant to an order dated November 20, 2015, and the relaxation of the applicable HFC Directions granted by the NHB for a loan to Nagarjuna Oil Corporation Limited pursuant to its letter dated September 30, 2015, respectively. If the Excluded Loans had been considered to be NPAs, as at March 31, 2017, our gross NPAs would have constituted 8.12% of our Loan Portfolio and our net NPAs would have constituted 3.05% of our Loan Portfolio. If in the future we are required to recognise the Excluded Loans as NPAs, it would have an adverse effect on our results of operations and financial condition.

Our net provision on loans (equal to our provisions on loans required as per HFC Directions and additional provisions on loans or write back of additional provisions on loans beyond the requirement as per HFC Directions) for a particular period decreases our profit before tax for that period by that amount and increases our total provision for loans by that amount and thereby decreases the amount of loans in our statement of assets and liabilities by that amount. Our net provisions on loans for the year ended March 31, 2017 and Fiscals 2016, 2015 and 2014, was Rs. 296.42 crore, Rs. 124.76 crore, Rs. 271.28 crore and Rs. 7.85 crore, respectively. Our provisions for loans were Rs. 1952.70 crore (excluding provision on standard assets and including additional provisioning of Rs. 330 crore beyond the requirement of HFC Directions) as at March 31, 2017 and Rs. 1,681.05 crore (excluding provision on standard assets and including additional provisioning of Rs. 115.00 crore beyond the requirement of HFC Directions) as at March 31, 2016, which represented 81.82% and 70.56%, respectively, of our gross NPAs as at those dates. For example, a loan of Rs. 366.10 crore has been in default since February 2017. However, the said loan was recognized as a standard asset as at March 31, 2017 on account of adjustment of interest obligation from interest during the construction period funding on loan. As the total disbursement of the loan has already reached total sanctioned limit of the loan, the loan is expected to become an NPA in our next reported balance sheet after March 31, 2017. We cannot assure you that there will be no significant additional NPAs in our Loan Portfolio in the future on account of either existing loans or new loans that may become non-performing. In particular, should the overall credit quality of our Loan Portfolio deteriorate, the current level of our provisions for loans may be inadequate to cover further increases in the amount of our NPAs. If we are required to increase our provisions for loans in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning or asset classification norms, this would adversely impact our results of operations and financial condition.

10.1.2 *We may not be able to foreclose on or realise the value of our collateral on a timely basis, or at all, when borrowers default on their obligations to us and this may have a materially adverse effect on our business, results of operations and financial condition.*

Most of our loans to various government entities are secured by guarantees from the relevant state governments with or without their respective budgetary allocations to repay outstanding debt facilities as of each financial year, or mortgage of properties with a minimum security cover of 125% of the total loan amount. Further, our loans to entities in the private sector are secured by mortgages of the respective project properties providing us with a minimum security cover of 150% of the total loan amount, personal guarantees and contributions by promoters, as deemed fit by us. An economic downturn could result in a fall in relevant collateral values, which, should we need to foreclose on the collateral, may result in us not being able to recover all of the outstanding amounts due under defaulted loans.

There is no assurance that we will be able to realise the full value of our security, due to, among other things, delays on our part to take immediate action, delays in bankruptcy foreclosure proceedings, economic downturns, defects in security, adverse court orders and fraudulent transfers by borrowers. In the event that a specialised regulatory agency asserts jurisdiction over the enforcement proceedings, creditor actions can be further delayed. There can therefore be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us.

In addition, the RBI has developed a corporate debt restructuring process to enable timely and transparent debt restructuring of corporate entities that are beyond the jurisdiction of the Board of Industrial and Financial Reconstruction, the Debt Recovery Tribunal and other legal proceedings. The applicable RBI guidelines contemplate that in the case of indebtedness aggregating Rs. 10 crores or more, lenders for more than 75% of such indebtedness by value and 60% by number may determine the restructuring of such indebtedness and such determination is binding on the remaining lenders. In circumstances where other lenders account for more than 75% of such indebtedness by value and 60% by number and they are entitled to determine the restructuring of the indebtedness of any of our borrowers, we may be required by such other lenders to agree to such debt restructuring, irrespective of our preferred mode of settlement of our loan to such borrower. In addition, with respect to any loans granted by us through a consortium, a majority of the relevant lenders may elect to pursue a course of action that may not be favorable to us. Any such debt restructuring could lead to an unexpected loss that could adversely affect our business, results of operations and financial condition.

10.1.3 *Our business is vulnerable to interest rate volatility and we will be impacted by any volatility in such interest rates in our operations, which could cause our net interest margins to decline and adversely affect our profitability.*

Our results of operations are substantially dependent upon the level of our net interest income. Interest rates are highly sensitive to many factors beyond our control, including the RBI's monetary policies and domestic and international economic and political conditions. Our average cost of funds has decreased from 7.70% for the year ended March 31, 2016 to 7.34% for the year ended March 31, 2017. Changes in interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities, our business is still affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the repricing of our assets. Whilst we hedge our interest rate exposure to some of our floating rate liabilities, we are also exposed to interest rate fluctuations on our un-hedged floating rate loans as our interest expense may increase before we can raise interest rates on our floating rate loans which are reviewed periodically. Further, there can be no assurance that we will be able to manage our interest rate risk adequately in the future. If we are unable to do so, this would have an adverse effect on our net interest margin and hence our profitability.

Further, since around 14.44% of our Housing Finance and Infrastructure Finance portfolio are in the nature of fixed interest rate loans (which are also subject to reset after every three years), any increase in interest rates may adversely affect the demand for the products in our loan portfolio, which in turn may affect our interest income and have a material adverse effect on our business, results of operations and financial condition.

In addition, in a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. Any such declines in our net interest margins in the future can have a material adverse effect on our business, results of operations and financial condition.

10.1.4 *We may not be able to successfully manage and maintain our growth, which could have a material adverse effect on our results of operations and financial condition.*

Our business has rapidly grown since our inception in 1970 and we have expanded our operations over the years. We have experienced growth in terms of our operating income, our loan portfolio and the number of our offices and employees. Our net profits increased at a CAGR of 5.96% from the year ended March 31, 2012 to the year ended March 31, 2017. Our future growth depends on a number of factors, including the increasing demand for housing and urban infrastructure loans in India, competition and regulatory changes. We cannot assure that we will be able to continue to sustain our growth at historical rates in the future.

As we continue to grow, we must continue to improve our managerial, technical and operational knowledge, the allocation of resources and our management information systems. In addition, we may be required to manage relationships with a greater number of customers, third party agents, lenders and other parties. We cannot assure you that we will not experience issues such as capital constraints, operational difficulties, difficulties in expanding our existing business and operations and training an increasing number of personnel to manage and operate the expanded business.

Any of these issues may adversely affect the implementation of our expansion plans in a timely manner and there can be no assurance that any expansion plans, if implemented, will be successful.

10.1.5 *Any inability to meet our debt finance obligations may have an adverse effect on our business and results of operations.*

As of March 31, 2017, we had outstanding indebtedness of Rs. 28,432.43 crores. Our indebtedness could have several important consequences, including but not limited to, the following:

- we may be required to dedicate a portion of our cash flow toward repayment of our existing debt, which will reduce the availability of our cash flow to fund asset liability mismatch, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future may be impaired; fluctuations in market interest rates may adversely affect the cost of our borrowings;
- there could be a material adverse effect on our business, prospects, results of operations and financial condition if we are unable to service our indebtedness or otherwise comply with financial covenants of such indebtedness; and
- we may be more vulnerable to economic downturns which may limit our ability to withstand competitive pressures and result in reduced flexibility in responding to changing business, regulatory and economic conditions.

Our ability to meet our debt service obligations and to repay our future outstanding borrowings will depend primarily upon the cash flow generated by our business, as well as funding from capital markets. In the event that we fail to meet our debt service obligations, the relevant lenders could declare us defaulting on our obligations, accelerate the payment of our obligations or foreclose on security provided by us. We cannot assure investors that in the event of any such steps by our lenders, we will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations.

Additionally, as of March 31, 2017, Rs.908.15 crores, amounting to 3.19% of our total indebtedness was at floating rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows. Furthermore, there can also be no assurance that any future hedging arrangements we enter into will successfully protect us from losses due to fluctuations in interest rates because we do not hedge all of our floating rate debt.

10.1.6 *We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.*

We may face potential liquidity risks due to mismatch in the maturity of our assets and liabilities. As is typical for a company in the business of lending, a portion of our funding requirements is met through short/medium term funding sources such as bank loans, cash credit or overdraft facilities. Our inability to obtain additional credit facilities or renew our existing credit facilities for matching tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

10.1.7 *Financing of Indian housing and urban infrastructure sector is very competitive and increasing competition may result in declining margins and market shares.*

Interest rate deregulation, entry of commercial banks in the business of financing housing and urban infrastructure sector and other liberalisation measures affecting the business of financing of housing and urban infrastructure sector, together with increased demand for home finance, have increased competition significantly.

Historically, financing of housing and urban infrastructure sector was dominated by HFCs and DFIs. While liberalization has resulted in significant growth in the market, it has also provided increased access for borrowers to alternative sources of housing and urban infrastructure finance funding, in particular, from commercial banks. Most of the commercial banks have wider range of products and services, greater financial resources and a lower average cost of funds than HFCs or DFIs by having access to retail deposits and greater marketing capabilities due to their more extensive branch networks. By comparison, HFCs or DFIs are more reliant on sources of funding with higher costs, such as syndicated loans and debentures for their funding requirements, which affects their competitiveness in the market when compared to banks. As a result, HFCs or DFIs have lost market share to commercial banks in the Indian housing and urban infrastructure finance sector.

As a result of increased competition, housing and urban infrastructure loans are becoming increasingly standard and terms such as floating rate interest options, monthly rest periods and no pre-payment penalties are becoming increasingly common. In addition, commercial banks and HFCs, including ourselves, have begun to include the cost of registration, stamp duty and other associated costs as part of the loan disbursement, which has benefited the borrower by increasing affordability. We cannot assure you that we will be able to retain our market share in the increasingly competitive housing and urban infrastructure finance sector. Increasing competition may have an adverse effect on our net interest margins and other operating income, and if we are unable to compete successfully, our market share will decline as the origination of new loans declines.

10.1.8 We may be unable to secure funding at competitive rates, which could adversely affect our growth, expansion and results of operations.

Our business funding consists of funds raised through the domestic debt markets through issue of debt securities and loans from various banks and financial institutions.

While most of our debt securities are on a fixed rate basis, most of the banking sector loans are linked to floating rate benchmarks. Our cost of funds from banks and the domestic debt market is influenced by our current domestic credit rating from IRRPL, ICRA and/ or CARE. The credit rating of our unsecured bonds programme was downgraded in 2002-03 to AA- by CRISIL. While this downgrading was only for our unsecured bonds programme, there can be no assurance that our credit rating in general will not be downgraded in future. Further, a significant factor taken into account for our current domestic credit ratings is the substantial exposure of our loan portfolio to state government entities running and administering various urban infrastructure projects and social housing schemes. If our relationship with such state governments change for any reason and our exposures to them are reduced, there can be no assurance that our domestic credit rating would not be revised by IRRPL, ICRA and/or CARE and any such revision may result in an increase in the cost of our funding.

10.1.9 We are currently involved in certain criminal proceedings, and any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.

We, and some of our employees, are presently involved in nine criminal proceedings which have been filed against us in various forums, which are in relation to, among other things, allegations of conspiracy in the sanctioning of loans, non-compliance with provisions of the Contract Labour Act, conspiracy in relation to non-disbursal of loans sanctioned by our Company in a timely manner and allegations of fabrications of evidence. In the event that these proceedings are decided in favour of the complainants, our business, results of operations and financial condition could be adversely affected.

10.1.10 Our business may be adversely affected by future regulatory changes.

Our housing and urban infrastructure business is regulated by the NHB. We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. The introduction of additional government control or newly implemented laws and regulations including, among other things, in relation to provisioning for NPAs, recoveries, capital adequacy requirements, exposure norms, etc., depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future expansion plans in India. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations. While we will take adequate measures, we cannot assure you that we will be able to timely adapt to new laws, regulations or policies that may come into effect from time to time with respect to the financing of housing and urban infrastructure sector in general. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, results of operations and financial condition.

10.1.11 We have a limited history with respect to operating through joint ventures and certain other business lines and are subject to all of the risks and uncertainties associated with commencing new business lines in general.

In order to diversify our business-lines in the urban infrastructure sector, we have entered into four joint ventures in 2005 and 2006 for construction activities and to provide consultancy and technical services. However, the Board in its meeting held on November 11, 2015 approved exit from all the four (4) Joint Venture companies. Till date our company has exited from joint venture of MCM Infrastructure Pvt. Ltd. in the month of September 2016. Furthermore, by virtue of an amendment to the 'Main Objects' clause of our Memorandum of Association through a resolution of our shareholders passed on May 7, 2013, we have decided to undertake venture capital business in the housing and urban development sectors and set up a mutual fund investing in housing and urban development programmes in India.

Compared to our experience in the business of financing housing and urban infrastructure projects, we have limited operational experience in operating through joint ventures and in the venture capital and mutual funds space. These businesses involve various risks, including, but not limited to, execution and financing risks. Our successes in operating through our new business lines will depend, among other things, on our ability to attract suitable joint venture partners and build relationships with industry partners. Additionally, we are subject to business risks and uncertainties associated with any new business enterprises, including the risk that we will not achieve our objectives within the estimated time period, or at all.

10.1.12 We are subject to certain restrictive covenants in our loan documents, which may restrict our operations and ability to grow and may adversely affect our business.

There are certain restrictive covenants in the agreements we have entered into with our lenders. These restrictive covenants require us to maintain certain financial ratios and seek the prior permission of these banks/financial institutions for various activities, including, among other things, selling, transferring or otherwise disposing of any part of our

business or revenues, effecting any scheme of amalgamation or reconstitution, implementing a new scheme of expansion or taking up an allied line of business. Such restrictive covenants in our loan agreements may restrict our operations or ability to expand and may adversely affect our business.

10.1.13 One of our Directors may have interests in companies/entities similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunity from referrals.

Mr. Rajiv Ranjan Mishra and Smt. Jhanja Tripathy, our government-nominee Director, is also on the board of directors of Hindustan Prefab Limited and NBCC (India) Ltd., which is engaged in business lines similar to ours.

Such directorship of Mr. Rajiv Ranjan Mishra and Smt. Jhanja Tripathy, and any other directorships in companies that operate in similar business lines as ours which our Directors may have, from time to time, may result in potential conflict of interest situations. While, our Board continues to adhere to the requirements of the Companies Act, there can be no assurance that these or other conflicts of interest will be resolved in a timely and efficient manner.

10.1.14 We are involved in certain legal proceedings, which, if determined against us, could adversely impact our business and financial condition.

We are a party to various legal proceedings which are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/ other judicial authorities, and if determined against our Company, could have an adverse impact on the business, financial condition and results of operations of our Company. Materially, we are currently involved in nine criminal proceedings as well as numerous civil proceedings pending in various civil courts and debt recovery tribunals for recoveries of our outstanding loans, arbitration matters, contempt petitions, income tax proceedings, public interest litigations and various other writ petitions pending in various high courts in the country. We can give no assurance that these legal proceedings will be decided in our favor. Any adverse decision may have a significant effect on our business, prospects, financial condition and results of operations.

10.1.15 We have experienced incidents of fraud in the past and may experience such frauds in the future as well, which may have an adverse effect on our business, results of operation and financial condition.

Our housing finance business is susceptible to fraud committed by our borrowers. Although we have taken measures to safeguard against system-related and other fraud, there can be no assurance that we would be able to prevent fraud. Since our inception, till March 31, 2017, we have experienced a few instances of fraud. Whilst we have regularly taken various steps to strengthen internal control, credit appraisal, risk management and fraud detection procedures, there can be no assurance that they will be sufficient to prevent further cases of fraud. This may have an adverse effect on our business, results of our operations and financial condition.

10.1.16 In the event of our failing to meet the capital adequacy and statutory liquidity requirements on account of any changes in the existing regulatory policy, our results of operation and financial condition could be severely affected.

As at March 31, 2017, we have a CRAR of 58.55%, which exceeds the extant NHB requirement of 12%. This ratio is used to measure a finance company's capital strength and to promote the stability and efficiency of the finance system. We currently have low levels of subordinated debt and rely predominately on our Equity Share capital, NCDs and internal accruals to support our growth and maintain a prudent capital base.

Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favourable terms, in a timely manner or at all. Furthermore, a significant reason as to our existing high CRAR is our substantial exposure to loans granted and guaranteed by the Central/state governments, since extant prudential norms by the NHB on capital adequacy accord a "zero" risk-weight to such loans guaranteed by state governments. In the event of any change in the legal regime governing capital adequacy by virtue of which a higher risk-weightage is accorded to loans granted by companies guaranteed by state governments, our CRAR may be adversely affected. If we fail to meet the capital adequacy and statutory liquidity requirements, NHB may take certain actions, including but not limited to restricting our asset growth which could materially and adversely affect our reputation, results of operations and financial condition.

Further, the NHB makes periodic inquiries and conducts inspections or investigations concerning our compliance with applicable regulations. While we cannot predict the outcome of any future inspection or enquiry, we do not believe that any currently ongoing inspection or enquiry will have a material adverse effect on our business, results of operations or financial condition.

10.1.17 In the event that our contingent liabilities were to materialize, our financial condition could be adversely affected.

The details are as follows:

Particulars	(In Rs. crore)	
	2016-17	2015-16
Claims of Contractors not acknowledged as debts	0.67	0.73
Counter claims of the Company	0.63	0.63

Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.03.2017 of Rs 371.09 crore (previous year Rs. 361.34 crore) under protest. (This does not include un-quantified demands pertaining to interest/penalties which may be levied after finalization of appeals)	371.09	361.34
Disputed Service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount of Rs. 4.77 crore (previous year Rs. 4.77 crore) under protest (This does not include un-quantified demands pertaining to interest/penalties which may be levied after finalization of appeals)	4.77	4.77

In the event that any of the said contingent liabilities fructify, the same could adversely affect the financial condition of our Company.

10.1.18 We may be required to bear additional tax liability for previous assessment years, which could adversely affect our financial condition.

According to extant guidelines from the NHB, an HFC is not permitted to recognise income if the amount due in respect of a loan has not been paid by the borrower for 90 days or more and such amount is considered an NPA. However, under section 43D read with rule 6EB of the Income Tax Rules, the definition of an NPA under the Income Tax Act is different from that provided by extant guidelines of the NHB in force at present.

While we have been following the guidelines of the NHB on income recognition, if the interpretation of the income tax department is different to ours, we may be required to bear additional tax liabilities for previous assessment years, as well as an increased tax liability in the future as a result of our income being recognized by the income tax department at a higher level than the income offered for taxation under the guidelines set out by the NHB.

10.1.19 We are subject to risks arising from exchange rate fluctuations and devaluation of the Indian rupee against any foreign currencies which could increase our cost of finance, thereby adversely affecting our results of operation and financial condition.

We are exposed to risks related to exchange rate fluctuations, particularly with respect to the U.S. dollar and the Japanese Yen, because we report our results in Indian rupees but have debt which is denominated in U.S. dollars and Japanese Yen. As a result, changes in currency exchange rates may affect our results of operations. As at March 31, 2017, Rs. 316.84 crores, or approximately 1.11% of our total indebtedness of Rs. 28,432.43 crores was denominated in U.S. dollars and Rs. 148.42 crores, or approximately 0.52% of our total indebtedness of Rs. 28,432.43 crores was denominated in Japanese Yen. In order to reduce our currency exchange risks, we currently have hedging arrangements in relation to a significant portion of these external commercial borrowings. However, an indebtedness of Rs. 32.42 crores denominated in U.S. dollars and Rs. 124 crores denominated in Japanese Yen is currently not subject to any hedging arrangements. For further details, please see the section titled "Financial Indebtedness". There can be no assurance that our existing hedging measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian rupee against the U.S. dollar and the Japanese Yen or other relevant foreign currencies. Any depreciation of the Indian rupee against the U.S. dollar, the Japanese Yen or other foreign currencies may adversely affect our results of operations if we are unable to pass on the costs of foreign exchange variations to our customers.

10.1.20 Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers, which would result in lower demand for our housing finance portfolio, and thereby, adversely affect our business.

The growth in the financing of housing sector in India in the last decade is in part due to the introduction of tax benefits for homeowners. Tax benefits on borrowed capital for the repairs, renewals, construction, re-construction or acquisition of house property have been allowed up to certain limits. There can be no assurance that the GoI will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the GoI will not introduce tax efficient investment options which are more attractive to borrowers than investment in property. The demand for housing and/or housing finance may be reduced if any of these changes occur, thereby adversely affecting our business.

10.1.21 The upgrade of our Information Technology systems is due, and in the event such upgrade is unsuccessful or delayed, our business could be significantly affected.

The upgrade of our information technology systems is due. We are yet to appoint a vendor for the upgrade of our information technology such that the timeliness and quality of information available for the purposes of more effective decision making can be improved. We cannot assure you that a vendor for the upgrade will be hired any time soon. Further, there can be no assurance that the new systems will be successfully integrated into our existing systems, that our employees can be successfully trained to utilize the upgraded systems, that the upgraded systems, if installed and operational, will not become quickly outdated or that the upgraded systems will bring about the anticipated benefits.

10.1.22 Our Registered Office is not owned by or leased to us, and in the event we are unable to continue to operate from such premises, our business, financial condition and results of operation may be adversely affected.

The land on which our Registered Office is located was allotted to the India Habitat Centre, a registered society, ("IHC") by the Land & Development Office ("L&DO"), Ministry of Urban Development, GoI in 1988 for the construction of buildings. IHC was thereafter required to enter into a lease deed with L&DO, and furthermore, enter into a tripartite sub-lease agreement with our Company and the L&DO, GoI. While IHC has entered into a lease deed with the L&DO, the subsequent tripartite sub-lease deed with the IHC and the L&DO has not yet been entered into by us.

A refusal by IHC to enter into a tripartite sub-lease with us may compel us to relocate our Registered Office to different premises at terms and conditions which may be less favorable than our current arrangements. Further, in the event, IHC offers to enter into a tripartite sub-lease deed with us, it may not be on terms and conditions that are acceptable to us.

10.1.23 We have negative cash flows in recent periods and an inability to generate and sustain positive cash flows in the future may adversely affect our business, results of operation and financial condition.

We have had negative cash flows in recent periods, the details of which are as under:

Particulars	(In Rs. crore)		
	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net cash used in operating activities	(2595.02)	(4967.83)	(182.31)
Net cash used in investing activities	7.52	381.43	(12.61)
Net cash used in financing activities	2509.33	4645.94	204.36

Negative cash flow over a long period and inability to generate and sustain positive cash flows in the future may adversely affect our business, results of operation and financial condition.

10.1.24 Office copies of some of the forms required to be filed with the RoC in the past with regard to certain corporate actions are not traceable in our office as also with the RoC, which may affect our compliance with the Companies (Central Government) General Rules and Forms, 1956.

Some of our forms with the RoC with regard to certain corporate actions in the past are not traceable and we may not have filed some or all of such forms with the RoC. For instance, we are unable to trace forms in respect of increase in our authorized share capital and the allotment of equity shares. We have not been able to obtain copies of such relevant documents, including from the RoC. Consequently, we may not be in compliance with Companies (Central Government) General Rules and Forms, 1956 in respect of such periods in the past.

10.1.25 We benefit from certain tax benefits available to us as a public financial institution and if these benefits are no longer available to us, our business, financial condition, results of operations may be adversely affected.

We currently receive tax benefits by virtue of our status as a public financial institution which have enabled us to reduce our effective tax rate. In the Fiscals 2013, 2014, 2015, 2016 and 2017, our effective tax liability, calculated on the basis of our tax liability as a percentage of profit before tax, was lesser as compared to statutory corporate tax rates (including surcharge and cess) for such periods. The availability of such tax benefits is subject to the policies of the GoI, among other things, and there can be no assurance as to any tax benefits that we will receive in the future. If the laws or regulations regarding these tax benefits are amended, our taxable income and tax liability may increase, which would adversely impact our financial condition and results of operations. In addition, it is likely that the Direct Tax Code, once introduced, could significantly alter the taxation regime, including incentives and benefits, applicable to us. If the laws or regulations regarding the tax benefits applicable to us were to change, our taxable income and tax liability may increase, which would adversely affect our financial results.

10.1.26 Loss of our key management personnel may have an adverse effect on our business, results of operations, financial condition and ability to grow.

Our future performance depends on the continued service of our Board and key management personnel. We face a continuous challenge to recruit and retain a sufficient number of suitably skilled management personnel, particularly as we continue to grow. There is significant competition for skilled management personnel in our industry, and it may be difficult to attract and retain the key management personnel we need in the future. While we have employee, friendly policies including an incentive scheme to encourage employee retention, the loss of key management personnel may have an adverse effect on our business, results of operations, financial condition and ability to grow.

10.1.27 In the event that our insurance is not adequate to protect us against all potential losses to which we are exposed; our business, profitability and financial condition may be adversely affected.

We insure the property in relation to our Registered Office and our corporate office, and other office properties which are renewed on an annual basis. Further, in case of mortgage and hypothecation based loans, the relevant loan agreements stipulate that the borrowers obtain insurance for the relevant project properties.

However, such insurance may not be adequate to cover all losses or liabilities that may arise including when the loss is not easily quantified. Even if we make a claim under an insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Further, with respect to insurance of the project properties, some of the borrowers may not have renewed the insurance on a regular basis.

10.1.28 Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.

Our Company currently prepares its annual and interim financial statements under Indian GAAP. The MCA, Government of India, has, through a notification dated February 16, 2015, set out the Indian Accounting Standards (“Ind AS”) and the timelines for their implementation. In accordance with such notification, our Company is required to prepare its financial statements in accordance with Ind AS for the accounting period commencing April 1, 2016.

Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared. Accordingly, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements. Moreover, Ind AS also differs materially in certain respects from IFRS. There can be no assurance that our financial statements will not appear to be materially different under Ind AS from that under Indian GAAP or IFRS. Further, as our Company adopts Ind AS reporting, it may encounter difficulties in the process of implementing and enhancing our Company’s management information systems for such implementation. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. Our Company cannot, therefore, assure you that the adoption of Ind AS will not adversely affect its reported results of operations or financial condition. Further, our inability to successfully implement Ind AS in accordance with the prescribed timelines will subject us to regulatory action and other legal consequences.

Further, our Board has accorded the approval for change in the accounting policies from the financial year 2014-2015 and onwards and there is no assurance that the adoption of the new accounting policies will not adversely affect the results of operations or financial conditions.

10.1.29 With regard to compliance with the Housing Finance Companies (NHB) Directions, 2010, we are currently not in compliance, and have not been able to comply on certain occasions in the past, with the directions of the Housing Finance Companies (NHB) Directions, 2010.

With regards to compliance with the directions of Housing Finance Companies (NHB) Directions, 2010, we are not in compliance with the directions with respect to the investment in equity share of HFC i.e. Indbank Housing Limited which is beyond the ceiling of 15% as the prescribed limit, which was invested around twenty years back by our Company and there is no assurance that such noncompliance will be rectified in the near future.”

10.1.30 The President of India acting through the MoHUA exercises a majority control in the Company, which enables it to influence the decision-making process.

As on date, the President of India acting through the MoHUA and MoRD and its nominees holds majority (89.81%) of the paid-up Equity Share capital of our Company, either directly or through nominee shareholders which enables the Government of India to influence the outcome of any matter submitted to shareholders for their approval. Exercise of such influence by the Government of India may adversely affect the interests of the Company and its other shareholders which, in turn, could adversely affect the goodwill, operations and profitability of the Company.

10.1.31 Some of the reforms under the scheme of Ujwal Discom Assurance Yojna may lead to an adverse impact on the financial position of our Company

The Ministry of Power, Government of India has vide its Office Memorandum no. 06/02/2015-NEF/FRP dated November 20, 2015 approved a scheme called Ujwal DISCOM Assurance Yojana Scheme (“UDAY”) with an objective of financial turnaround of state owned distribution companies. This scheme intends to achieve this by several initiatives such as-a) reduction in interest cost of DISCOMs principally through phased takeover of discom debt by state governments; b) improving operational efficiencies of DISCOMs; c) reduction in cost of power purchase; and d) enforcing financial discipline on DISCOMs through an alignment with state finances.

The major aspects of the scheme for financial turnaround of Discoms as brought out in Office Memorandum dated 20.11.2015 issued by Ministry of Power, Govt. of India, are as under:

1. States shall take over 75% of Discom debt as on September 30, 2015 over two years - 50% of DISCOM debt shall be taken over in 2015-16 and 25% in 2016-17.
 - (a) States will issue non-SLR including SDL Bonds in the market or directly to the respective Banks/Financial Institutions holding the Discom debt to the appropriate extent.

- (b) The 10-year State bonds issued by the state will be priced at 10-year G -Sec plus 0.5% spread for 10-year State bonds plus 0.25% spread for non-SLR status on semi-annual compounding basis or market determined rate whichever is lower. This may be further reduced if the interest is paid on monthly basis.
 - (c) Banks/ FIs shall waive off any unpaid overdue interest and penal interest on the DISCOM debt and refund/ adjust any such overdue/ penal interest paid since 1st October 2013.
2. 50% of the debt as on September 30, 2015 as reduced by any waivers as mentioned above, which will remain with the DISCOM by the end of 2015-2016 shall be converted by the Bank /FIs into loans or bonds with interest rate not more than the banks base rate plus 0.1 %. Alternatively, this debt may be fully or partly issued by DISCOM as state guaranteed DISCOM bonds at the prevailing market rates which shall be equal to or less than the bank rate plus 0.1%. Half of this residual debt shall be taken over by the State in 2016-2017. The states shall guarantee repayment of Principal and interest payment for the balance debt remaining with DISCOM / bonds issued by DISCOM.

Accordingly, these reforms announced by the government while being positive for SEBs will lead to loans to SEBs getting re-priced at lower levels. This in turn could have an impact on the net interest margins of our Company. The reforms announced with an objective of improving the asset quality of Banks/financial institutions, may also lead to lower loan growth to DISCOMs leading to adverse impact on our financial position.

Pursuant to our exposure to DISCOMs there may be a reduction in the average net interest margins of our company leading to adverse impact on our profitability.

10.2 RISKS IN RELATION TO THE BONDS

10.2.1 *There has been only a limited trading in the bonds of such nature and the price of the Bonds may be volatile subject to fluctuations*

There has been only a limited trading in bonds of such nature in the past. Although the Bonds are proposed listed on BSE, there can be no assurance that a public market for these Bonds would be available on a sustained basis. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of Bonds. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which the Bonds are being issued.

Further, the price of our Bonds may fluctuate after this Issue due to a wide variety of factors, including:

- Changes in the prevailing interest rate;
- Volatility in the Indian and global securities markets;
- Our operational performance, financial results and our ability to expand our business;
- Developments in India's economic liberalization and deregulation policies, particularly in the power sector;
- Changes in India's laws and regulations impacting our business;
- Changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- The entrance of new competitors and their positions in the market; and
- Announcements by our Company of its financial results.

We cannot assure that an active trading market for our Bonds will be sustained after this Issue, or that the price at which our Bonds are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

10.2.2 *There is no guarantee that the Bonds issued pursuant to this Issue will be listed on the designated stock exchange in a timely manner, or at all*

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until after the Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the designated stock exchange.

10.2.3 *Debenture Redemption Reserve for the Bonds is not created on privately placed debentures*

The Company being a financial institution within the meaning of clause (72) of section 2 of the Companies Act, 2013, DRR will be as applicable to NBFCs registered with the RBI. For NBFC's registered with RBI under Section 45-IA of the RBI (Amendment) Act, 1997, the adequacy of the DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue & Listing of Debt Securities) Regulation 2008 and no DRR is required in case of privately placed debentures. Therefore, creation of DRR is not envisaged against the Bonds being issued under the terms of this Private Placement Offer Letter.

10.2.4 *The bondholder may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Bonds.*

Our ability to pay interest accrued on the Bonds and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including, inter-alia our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay

the principal amount outstanding from time to time on the Bonds and/or the interest accrued thereon in a timely manner, or at all.

10.2.5 Any downgrading in credit rating of our Bonds may affect the trading price of the Bonds

The Bonds proposed to be issued under this Issue have been rated 'IND AAA' by IRRPL, '[ICRA] AAA' by ICRA and 'CARE AAA' by CARE. The ratings provided by IRRPL, ICRA and CARE may be suspended, withdrawn or revised at any time. Any revision or downgrading in the above credit rating may lower the value of the Bonds and may also affect our Company's ability to raise further debt.

10.2.6 Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law

The Bonds will be subordinated to certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Bonds only after all of those liabilities that rank senior to these Bonds have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Bonds. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the Bonds.

10.3 EXTERNAL RISKS

10.3.1 A slowdown in economic growth in India could cause our business to be adversely affected.

Any slowdown in economic growth in India could adversely affect us, including our ability to grow our asset portfolio, the quality of our assets, and our ability to implement our strategy. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where we have a relatively higher exposure could adversely impact our performance. Any such slowdown could adversely affect our business, prospects, results of operations and financial condition.

10.3.2 Increased volatility or inflation of commodity prices in India could adversely affect our Company's business.

In recent months, consumer and wholesale prices in India have exhibited marked inflationary trends, with particular increases in the prices of food and crude oil. Any increased volatility or rate of inflation of global commodity prices, in particular oil metals and metal products prices, could adversely affect our Company's borrowers and contractual counterparties. This may lead to slowdown in the growth of the infrastructure and related sectors could adversely impact our Company's business, results of operations and financial condition.

10.3.3 Political instability or changes in the GoI could adversely affect economic conditions in India and consequently, our business.

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Since 1991, successive governments have pursued policies of economic and financial sector liberalization and deregulation and encouraged infrastructure projects.

A significant change in the GoI's policies in the future, particularly in respect of financing of housing and urban infrastructure sector, could affect business and economic conditions in India. This could also adversely affect our business, prospects, results of operations and financial condition.

10.3.4 Natural calamities could have a negative impact on the Indian economy and could cause our business to be adversely affected.

India has experienced natural calamities such as earthquakes, floods and drought in the recent past. The extent and severity of these natural disasters determine their impact on the Indian economy. These along with prolonged spells of below normal rainfall in the country or other natural calamities could have a negative impact on the Indian economy, thereby affecting our business.

10.3.5 Difficulties faced by other banks, financial institutions or the Indian financial sector generally could cause our business to be adversely affected.

We are exposed to the risks of the Indian financial sector which in turn may be affected by financial difficulties and other problems faced by Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years particularly in managing risks associated with their portfolios and matching the duration of their assets and liabilities, and some co-operative banks have also faced serious financial and liquidity crises. Any major difficulty or instability experienced by the Indian financial sector could create adverse market perception, which in turn could adversely affect our business, prospects, results of operations and financial condition.

10.3.6 The proposed new Indian taxation system could adversely affect our Company's business and the price of the Bonds.

As the taxation system is going to undergo significant overhaul, its long-term effects on our Company are unclear as of the date of this Private Placement offer letter and there can be no assurance that such effects would not adversely affect our Company's business and future financial performance.

10.3.7 Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Bonds.

10.3.8 The market value of your investment may fluctuate due to the volatility of the Indian securities market.

Indian stock exchanges (including the NSE and the BSE) have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokers. If such or similar problems were to re-occur, this may have effect on the market price and liquidity of the securities of Indian companies, including the Bonds. In addition, the governing bodies of Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. In the past, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases have had a negative effect on market sentiment.

XI. DETAILS OF BORROWINGS (DETAILS OF THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY ISSUER, DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS, INCLUDING CORPORATE GUARANTEE ISSUED BY THE ISSUER AND DEBT SECURITIES IN THE PAST, PARTICULARS OF DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH OR AT A PREMIUM OR DISCOUNT OR IN PURSUANCE OF AN OPTION, HIGHEST TEN HOLDERS OF EACH CLASS OR KIND OF SECURITIES) AND OTHER FINANCIAL INFORMATION

11.1 Detail of Borrowings on Standalone basis (Unaudited)

Set forth below is a brief summary of our Company's outstanding borrowings of Rs. 32,300.15 crore as on December 31, 2017, together with a brief description of certain significant terms of such financing arrangements.

I Secured borrowings availed by our Company

1.1 Loans

Set forth below is a brief summary of our secured term loan from Bank of India, outstanding against which is Rs. 51.22 crore as on December 31, 2017:

Facility granted and loan documentation	Facility (in Rs. crores)	Amount outstanding as on December 31, 2017 (in Rs. crores)	Rate of interest (% p.a.)	Security	Repayment schedule
Term loan agreement dated February 10, 1999	150.00	51.22	Interest on the loan to be charged at rate based on YTM (in %) for maturity of one year as declared by FIMMDA and to be reset on 10th of June every year. Currently, the rate of interest is 9.86% p.a.	Secured by lien over certificate of deposit placed under swap arrangement with Bank of India, Cayman Island Branch, New York. The deposits are co-terminus with the loan maturity schedule of the underlying Asian Development Bank loan.	Repayable on quarterly basis from December 10, 2002 to June 10, 2022
Total	150.00	51.22			

1.2 Special priority sector bonds

Set forth below is a brief summary of our outstanding redeemable, special priority sector bonds ("SPS Bonds") of face value Rs.5,00,000 each, having an outstanding of Rs. 34.20 crore, issued by our Company to Bank of India under series C on private placement basis (as on December 31, 2017).

Name of Trustee	Facility granted and loan documentation	Facility (in Rs. crores)	Amount outstanding As on December 31, 2017 (Rs. in crores)	Rate of interest (% p.a.)	Security	Repayment schedule

Name of Trustee	Facility granted and loan documentation	Facility (in Rs. crores)	Amount outstanding As on December 31, 2017 (Rs. in crores)	Rate of interest p.a. (%)	Security	Repayment schedule
UTI Bank Limited *	Bond Series C	49.50	34.20	G-Sec rate (as on June 10 every year) + 350 basis points	Bonds secured by negative lien on assets of the Company	Repayable in unequal half-yearly installments from December 10, 2016 to June 10, 2022
Total		49.50	34.20			

* Now Axis Bank Limited

1.3 Refinance Assistance from National Housing Bank

Our Company has obtained refinance assistance of Rs. 5,050.00 crore under Rural Housing Fund/Urban Housing Fund sanctioned by the NHB. As of December 31, 2017, Rs. 3,359.21 crore is outstanding. The details of the borrowings are given below:

Facility granted and loan documentation	Total amount obtained (in Rs. crores)	Total amount outstanding as on December 31, 2017 (in Rs. crores)	Rate of interest (% p.a.)	Security	Repayment date and schedule
Long term loan via memorandum of agreement dated February 5, 2009	250.00	31.50	6.25%	Bank Guarantee to the extent of 25% of the loan amount and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax-free bonds of Rs. 17,388.47 issued during FY 2011-12, 2012-13, 2013-14 and 2015-16.	Repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which the refinance was drawn.
	250.00	50.50	6.25%		
	250.00	74.06	6.75%		
	500.00	185.18	6.75%		
	555.00	287.72	6.85%		
	195.00	101.01	7.10%		
	500.00	358.87	7.35%		
	229.00	170.20	7.35%		
	221.00	164.30	7.35%		
	1000.00	948.70	5.11%		
	500.00	487.17	4.86%		
	500.00	500.00	4.86%		
Total	5,050.00	3,359.21			

1.4 Secured Bonds

Private Placement

Our Company has issued secured, non-convertible, redeemable, non-cumulative tax-free Bonds in the nature of promissory to various categories of investors. As of December 31, 2017, Rs. 2,006.08 crore is outstanding. The details of the bonds, as on December 31, 2017, are mentioned below:

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
7.51% tax free HBS 2011 series A (Option-I)*	4.77	October 21, 2011	4.77	7.51	10	Bonds will mature 10 years from the date of allotment and will be repayable on October 21, 2021	Secured by floating first pari-passu charge on present and future receivables of our Company to the extent of amount mobilized under the Issue. Our

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
7.75% tax free HBS 2011 series A (Option-II)*	10.81	October 21, 2011	10.81	7.75	15	Bonds will mature 15 years from the date of allotment and will be repayable on October 21, 2026	Company reserves the right to create first pari-passu charge on present and future receivables for its present and future financial requirements
7.62% tax free HBS 2011 series B (Option-I) *	137.66	November 11, 2011	137.66	7.62	10	Bonds will mature 10 years from the date of allotment and will be repayable on November 11, 2021	
7.83% tax free HBS 2011 series B (Option-II) *	66.51	November 11, 2011	66.51	7.83	15	Bonds will mature 15 years from the date of allotment and will be repayable on November 11, 2026	
8.09% tax free HBS series 2011 series C (Option-I) *	47.86	December 22, 2011	47.86	8.09	10	Bonds will mature 10 years from date of allotment and shall be repayable on December 22, 2021	
8.16% tax free HBS 2011 series C (Option-II) *	47.67	December 22, 2011	47.67	8.16	15	Bonds will mature 15 years from date of allotment and shall be repayable on December 22, 2026	
8.56% tax free HBS 2013 series A*	190.80	September 2, 2013	190.80	8.56%	15	Bonds will mature 15 years from date of allotment and shall be repayable on September 2, 2028	
7.19% tax free HBS 2015 series A*	151.00	July 31, 2015	151.00	7.19%	10	Bonds will mature 10 years from date of allotment and shall be repayable on July 31, 2025	Secured by a first pari passu charge on present and future receivables of our Company to the extent of the amount mobilized

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
7.07% tax free HBS 2015 series B*	1029.00	October 1, 2015	1029.00	7.07%	10	Bonds will mature 10 years from date of allotment and shall be repayable on October 1, 2025	under the Issue. The Company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on pari-passu basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained
7.00% tax free HBS 2015 series C*	108.50	October 9, 2015	108.50	7.00%	10	Bonds will mature 10 years from date of allotment and shall be repayable on October 9, 2025	Secured by a first pari-passu charge on present and future receivables of the company to the extent of the amount mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on pari-passu basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.
7.39% tax free HBS 2015 series D*	211.50	February 22, 2016	211.50	7.39%	15	Bonds will mature 15 years from date of allotment and shall be repayable on February 22, 2031	
	2,006.08		2,006.08				

***Credit Rating: IRRPL- 'INDAAA' and CARE- 'CARE AAA'**

1.5 Public Issue

Our Company has issued secured, non-convertible, redeemable, non-cumulative tax free HUDCO Bonds 2011, 2012, 2013 and 2015 of face value of Rs. 1,000 to the public. As of December 31, 2017, Rs. 15,382.39crore is outstanding. The details of the bonds, as on December 31, 2017, are mentioned below:

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
8.10% (Tranche-I, (Series-1) (Category-I,II))*	1,836.49	March 5, 2012	1,836.49	8.10%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 05, 2022	Secured by floating first pari-passu charge on present and future receivables of our Company to the extent of amount mobilized under the Issue. Our Company reserves the right to create first pari-passu charge on present and future receivables for its present and future financial requirements
8.22% (Tranche-I, (Series-1) (Category-III))*	329.93	March 5, 2012	329.93	8.22%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 05, 2022	
8.20% (Tranche-I) (Series-2) (Category-I,II))*	1,783.34	March 5, 2012	1,783.34	8.20%	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 05, 2027	
8.35% (Tranche-I) (Series-2) (Category-III))*	734.96	March 5, 2012	734.96	8.35%	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 05, 2027	
7.34% (Tranche-I, (Series-1)- (Category I, II, III))*	686.57	February 16, 2013	686.57	7.34%	10	Bonds will mature 10 years from date of allotment and shall be repayable on February 16, 2023	
7.84% (Tranche-I, (Series-1)- (Category IV) *)	233.53	February 16, 2013	233.53	7.84%	10	Bonds will mature 10 years from date of allotment and shall be repayable on February 16, 2023	
7.51% (Tranche-I) (Series-2) (Category I, II, III))*	724.72	February 16, 2013	724.72	7.51%	15	Bonds will mature 15 years from date of allotment and shall be repayable on February 16, 2028.	

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
8.01% (Tranche-I) (Series-2) (Category IV)*	549.52	February 16, 2013	549.52	8.01%	15	Bonds will mature 15 years from date of allotment and shall be repayable on February 16, 2028	
7.03% (Tranche-II, (Series-1) (Category I, II, III)*	34.34	March 28, 2013	34.34	7.03%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 28, 2023	
7.53% (Tranche-II, (Series-1) (Category IV)	63.28	March 28, 2013	63.28	7.53%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 28, 2023	
7.19% (Tranche-II) (Series-2) (Category I, II, III)*	23.39	March 28, 2013	23.39	7.19%	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 28, 2028	
7.69% (Tranche-II) (Series-2) (Category IV)*	86.01	March 28, 2013	86.01	7.69%	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 28, 2028	
8.14% Tax free bonds (Tranche-I) (Series-1A) *	269.58	October 25, 2013	269.58	8.14%	10	Bonds will mature 10 years from date of allotment and shall be repayable on October 25, 2023	
8.51% Tax free bonds (Tranche-I) (Series-2A) *	799.27	October 25, 2013	799.27	8.51%	15	Bonds will mature 15 years from date of allotment and shall be repayable on October 25, 2028	
8.49% Tax free bonds (Tranche-I) (Series-3A) *	35.51	October 25, 2013	35.51	8.49%	20	Bonds will mature 20 years from date of allotment and shall be repayable on October 25, 2033	

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
8.39% Tax free bonds (Tranche-I) (Series-1B) *	361.79	October 25, 2013	361.79	8.39%	10	Bonds will mature 10 years from date of allotment and shall be repayable on October 25, 2023	
8.76% Tax free bonds (Tranche-I) (Series-2B) *	815.00	October 25, 2013	815.00	8.76%	15	Bonds will mature 15 years from date of allotment and shall be repayable on October 25, 2028	
8.74% Tax free bonds (Tranche-I) (Series-3B) *	88.85	October 25, 2013	88.85	8.74%	20	Bonds will mature 20 years from date of allotment and shall be repayable on October 25, 2033	
8.51% Tax free bonds (Tranche-II) (Series-1A) *	504.93	January 13, 2014	504.93	8.51%	10	Bonds will mature 10 years from date of allotment and shall be repayable on January 13, 2024	
8.58% Tax free bonds (Tranche-II) (Series-2A) *	127.38	January 13, 2014	127.38	8.58%	15	Bonds will mature 15 years from date of allotment and shall be repayable on January 13, 2029	
8.76% Tax free bonds (Tranche-II) (Series-3A) *	286.54	January 13, 2014	286.54	8.76%	20	Bonds will mature 20 years from date of allotment and shall be repayable on January 13, 2034	
8.76% Tax free bonds (Tranche-II) (Series-1B) *	439.63	January 13, 2014	439.63	8.76%	10	Bonds will mature 10 years from date of allotment and shall be repayable on January 13, 2024	
8.83% Tax free bonds (Tranche-II) (Series-2B) *	123.75	January 13, 2014	123.75	8.83%	15	Bonds will mature 15 years from date of allotment and shall be repayable on January 13, 2029	

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
9.01% Tax free bonds (Tranche-II) (Series-3B) *	671.16	January 13, 2014	671.16	9.01%	20	Bonds will mature 20 years from date of allotment and shall be repayable on January 13, 2034	
8.29% Tax free bonds (Tranche-III) (Series-1A) *	18.37	March 24, 2014	18.37	8.29%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 24, 2024	
8.73% Tax free bonds (Tranche-III) (Series-2A) *	28.47	March 24, 2014	28.47	8.73%	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 24, 2029	
8.71% Tax free bonds (Tranche-III) (Series-3A) *	8.76	March 24, 2014	8.76	8.71%	20	Bonds will mature 20 years from date of allotment and shall be repayable on March 24, 2034	
8.54% Tax free bonds (Tranche-III) (Series-1B) *	47.36	March 24, 2014	47.36	8.54%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 24, 2024	
8.98% Tax free bonds (Tranche-III) (Series-2B) *	128.42	March 24, 2014	128.42	8.98%	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 24, 2029	
8.96% Tax free bonds (Tranche-III) (Series-3B) *	41.54	March 24, 2014	41.54	8.96%	20	Bonds will mature 20 years from date of allotment and shall be repayable on March 24, 2034	
7.02% Tax free bonds (Tranche-I) (Series-1A) *	117.21	February 08, 2016	117.21	7.02%	10	Bonds will mature 10 years from date of allotment and shall be repayable on February 08, 2026	Secured by a first pari-passu charge on present and future receivables of the company to the extent of the amount

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding As on December 31, 2017 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
7.27% Tax free bonds (Tranche-I) (Series-1B) *	128.45	February 08,2016	128.45	7.27%	10	Bonds will mature 10 years from date of allotment and shall be repayable on February 08, 2026	mobilized under the Issue and interest thereon. The company reserves the right to sell or otherwise deal with the receivables, both present and future, including without limitation to create a first/ second charge on pari-passu basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time is maintained.
7.39 % Tax free bonds (Tranche-I) (Series-2A) *	909.69	February 08,2016	909.69	7.39 %	15	Bonds will mature 15 years from date of allotment and shall be repayable on February 08,2031	
7.64 % Tax free bonds (Tranche-I) (Series-2B) *	556.15	February 08,2016	556.15	7.64 %	15	Bonds will mature 15 years from date of allotment and shall be repayable on February 08,2031	
7.04 % Tax free bonds (Tranche-II) (Series-1A) *	48.16	March 15, 2016	48.16	7.04%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 15, 2026	
7.29 % Tax free bonds (Tranche-II) (Series-1B) *	105.35	March 15, 2016	105.35	7.29%	10	Bonds will mature 10 years from date of allotment and shall be repayable on March 15, 2026	
7.39 % Tax free bonds (Tranche-II) (Series-2A) *	1,024.94	March 15, 2016	1,024.94	7.39 %	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 15, 2031	
7.69 % Tax free bonds (Tranche-II) (Series-2B) *	610.05	March 15, 2016	610.05	7.69 %	15	Bonds will mature 15 years from date of allotment and shall be repayable on March 15, 2031	
	15,382.39		15,382.39				

*Credit Rating: IRRPL- 'INDAAA' and CARE- 'CARE AAA'

II. Unsecured borrowings availed by our Company as on December 31, 2017

II.1 Taxable Bonds

Set forth below is a brief summary of the unsecured, non-convertible, redeemable taxable HUDCO bonds of different face values issued to various classes of investors on private placement basis, each under various series, of which Rs. 4,465 crore is outstanding as on December 31, 2017. All bonds are currently listed on NSE and/or BSE, unless specified otherwise.

Nature of Bond	Total value of bonds (Rs. in crores)	Date of Allotment	Amount outstanding, as on December 31, 2017 (Rs. in crores)	Interest /coupon rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment terms and schedule	Rating
8.14% taxable HBS 2013 Series A	700.00	May 30, 2013-	700.00	8.14	5	Bonds will mature at the end of 5 years from the date of allotment and shall be repayable on May 30, 2018	CARE-AAA and IRRPL-‘IND AAA’
7.36% taxable HBS 2016 Series B	700.00	September 16, 2016	700.00	7.36	3 Year 2 Months and 14 days	Bonds will mature at the end of 3 year 2 Months and 14 days from the date of allotment and shall be repayable on November 30, 2019	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.35% taxable HBS 2016 Series C	600.00	September 22, 2016	600.00	7.35	3 Year and 4 Months	Bonds will mature at the end of 3 year and 4 Months from the date of allotment and shall be repayable on January 22, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.21% taxable HBS 2016 Series D	200.00	October 25, 2016	200.00	7.21	3 Year and 6 Months	Bonds will mature at the end of 3 year and 6 Months from the date of allotment and shall be repayable on April 25, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
6.80% taxable HBS 2016 Series E	700.00	November 18, 2016	700.00	6.80	3 Year and 6 Months	Bonds will mature at the end of 3 year and 6 Months from the date of allotment and shall be repayable on May 18, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
6.81% taxable HBS 2016 Series F	600.00	January 13, 2017	600.00	6.81	3 Year	Bonds will mature at the end of 3 year from the date of allotment and shall be repayable on January 13, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.59% taxable HBS 2016 Series G	565.00	March 21, 2017	565.00	7.59	3 Year & 3 Months	Bonds will mature at the end of 3 year & 3 Months from the date of allotment and shall be repayable on June 21, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.05% taxable HBS 2017 Series A	400.00	July 14, 2017	400.00	7.05	3 Year & 1 Month	Bonds will mature at the end of 3 year & 1 Months from the date of allotment and shall be repayable on August 14, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.14% taxable HBS 2017 Series B	700.00	November 22, 2017	700.00	7.14	3 Year & 1 Month	Bonds will mature at the end of 3 year & 1 Months from the date of allotment and shall be repayable on December 22, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.06%	205.00	December	205.00	7.06	1 Year &	Bonds will mature at	ICRA-AAA,

taxable HBS 2017 Series C		11, 2017			6 months	the end of 1 year & 6 months from the date of allotment and shall be repayable on June 11, 2019	CARE-AAA and IRRPL-‘IND AAA’
Total	5,370.00		5,370.00				

II.2 Term loans from banks

Below is a brief summary of the USD denominated Loans availed from banks by our company as on December 31, 2017:

Name of the lender	Facility granted	Facility (in INR crore)	Amount outstanding as on December 31, 2017 (in INR crore)	Rate of interest (% p.a.)	Repayment schedule
ICICI Bank	FCNR(B) Loan	165.09 (USD 25.75 Mn)	165.09 (USD 25.75 Mn)	6.23% (inclusive of Coupon only swap and Option premium for principal hedge)	Repayable on December 28, 2018
Axis Bank	FCTL/FCDL	165.08 (USD 25.75 Mn)	165.08 (USD 25.75 Mn)	6.23% (inclusive of Coupon only swap and Option premium for principal hedge)	Repayable on December 28, 2018
Punjab National Bank	FCL	500.00 (USD 78.08 Mn)	500.00 (USD 78.08 Mn)	6.90% (inclusive of interest and forward premium)	Repayable at the end of 180 days from the date of availment i.e. June 26, 2018
	Total	830.17	830.17		

II.3 Short Term loans from banks

Below is a brief summary of the short-term loans from banks availed by the company:

Name of the lender	Total loan amount (Rs. crores)	Amount outstanding as on December 31, 2017 (Rs. crores)	Rate of interest (%)	Repayment Schedule
ICICI Bank	500.00	294.00	7.00%	Repaid on 20.01.2018
		206.00	7.00%	Repaid on 20.01.2018
		400.00	7.00%	Repaid on 25.01.2018
Mizuho Bank	150.00	44.00	7.10%	Repaid on 02.01.2018
		106.00	7.10%	Repaid on 03.01.2018
SMBC	500.00	159.33	7.21%	Repaid on 05.01.2018
HDFC Bank	200.00	34.85	7.20%	Repaid on 11.01.2018
		3.00	7.20%	Repaid on 12.01.2018
		5.00	7.20%	Repaid on 17.01.2018
Total	952.18	952.18		

II.4 Details of commercial paper (in the nature of Usance promissory notes) issued and outstanding as on December 31, 2017

Nature of paper	Total value (Rs. Crores)	Date of allotment	Total amount outstanding as on December 31, 2017 (in Rs. crores)	Interest/ yield rate (% p.a.)	Redemption terms
6.26% CP Series E 2017	1400.00	November 8, 2017	1400.00*	6.26	Repayable at the end 90 days from the dated of allotment i.e. on February 6, 2018
6.68% CP Series F 2017	800.00	November 17, 2017	800.00	6.68	Repayable at the end 180 days from the dated of allotment i.e. on May 16, 2018
6.78% CP Series G	1,000.00	December 7, 2017	1,000.00	6.78	Repayable at the end 175 days from the dated of allotment i.e. on May 31, 2018
	3,200.00		3,200.00		
*As on date, these commercial papers have been repaid by our Company					

II.3 Public deposits

Below is a brief summary of the public deposits obtained by our Company as on December 31, 2017:

Nature of facility	Total amount of deposits (Rs. in crores)	Amount outstanding, as on December 31, 2017(Rs. in crores)	Average rate of interest (% p.a.)	Repayment schedule	Rating
Public deposits	698.37	698.37	8.26%	Repayable over a period of one to seven years	CARE- AAA, IRRPL- 'IND AAA' and ICRA- AAA
Total		698.37			

II.4 Loans in foreign currency

The following is a brief summary of the outstanding foreign currency loans obtained by our Company as on December 31, 2017:

Name of the lender	Facility granted and loan documentation	Facility	Amount outstanding, as on December 31, 2017	Rate of interest (% p.a.)	Repayment schedule
The Overseas Economic Cooperation Fund, Japan (now called Japan Bank of International Cooperation)	Long term facility via loan agreement dated January 25, 1996	JPY 8670 million	JPY 2350.771 million (Rs. 133.56 crore)	2.10% p.a. (fixed) semi-annually	On January 20 and July 20 of each year. Due for repayment by January 20, 2023
Asian Development Bank*	Long term loan facility via loan agreement dated November 6, 1997	USD 100 million	USD 34.1498 million (Rs. 183.22 crore)	Six month USD LIBOR plus 0.40 % p.a. payable semi-annually	Repayable in unequal instalment on December 15 th and June 15 th of every year from 2002 to 2022. Due for repayment by June 15, 2022

II.5 Loan from US capital markets

Below is a brief summary of loan obtained from US capital markets wherein Riggs Bank N.A. acted as the paying and transfer agency and which is guaranteed by U.S. Agency for International Development ("USAID") and counter guaranteed by Canara bank, as on December 31, 2017:

Loan documentation	Facility (USD million)	Amount outstanding, as on December 31, 2017	Rate of interest (% p.a.)	Repayment schedule
Paying and transfer agency agreement dated September 15, 2000 between HUDCO and the Riggs Bank N.A. and consented to by USAID	20	USD 13.00 million (Rs. 73.39 crore)	6-month LIBOR for USD + 0.035%	Repayable in 40 equal consecutive semi-annual instalments commencing on March 15, 2011 and ending on September 15, 2030
Paying and transfer agency agreement dated September 24, 1999 between HUDCO and the Riggs Bank N.A. and consented to by USAID	10	USD 6.00 million (Rs. 26.16 crore)	6-month LIBOR for USD + 0.18%	Repayable in 40 equal consecutive semiannual installments commencing on March 24, 2010 and ending on September 24, 2029

III. Details of Corporate/ Counter Guarantees provided by our Company:

Provided below are details of counter guarantees of Rs. 1,237.56 crore provided by our Company as on date of this private placement offer letter:

S. No.	Lender in whose favour the guarantee is extended	Date of execution and validity of Counter Guarantee	Name of the counterparty and purpose of Counter Guarantee	Amount of the guarantee December 31, 2017) (Rs. in crore)
1.	Indusind Bank	Date of execution: 21.04.2017 Validity Date: 21.04.2018	Performance guarantee for design and consultancy services / contracts for construction of quarters and allied services at Hindustan Aeronautics Limited Bangalore	0.06
3.	Axis Bank	Date of execution: 12.12.2013 Validity Date: 01.10.2020	Collateral security in respect of refinance facility of Rs. 950 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated December 19, 2014.	125.00
4.	Axis Bank	Date of execution: 25.05.2017 Validity Date: 01.04.2021	Collateral security in respect of refinance facility of Rs. 750 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014	125.00
5.	Axis Bank	Date of execution: 28.05.2014 Validity Date: 01.04.2021	Collateral security in respect of refinance facility of Rs. 750 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 13, 2014.	62.50
6.	Canara Bank	Date of execution 23.12.2014 Validity Date: 01.10.2020	Collateral security in respect of refinance facility of Rs. 950 crore availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank vide sanction letter dated December 19, 2014.	112..50
9.	Axis Bank	Date of execution: 18.03.2016 Validity Date: 31.10.2018	Collateral security in respect of refinance facility of Rs. 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated October 17, 2011	62.50
10.	Axis Bank	Date of execution: 18.03.2016 Validity Date: 01.05.2019	Collateral security in respect of refinance facility of Rs. 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 9, 2012	62.50
11.	Axis Bank	Date of execution: 18.03.2016 Validity Date: 17.04.2019	Collateral security in respect of refinance facility of Rs. 250 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated September 27, 2012	62.50
12.	Axis Bank	Date of execution: 08.04.2016 Validity Date: 07.05.2019	Collateral security in respect of refinance facility of Rs. 500 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated January 17, 2013.	125.00
13.	Bank of India	Date of execution: 08.03.2017 Validity Date: 19.03.2020	Collateral security in respect of refinance facility of Rs. 1000 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 6, 2017.	154.25

S. No.	Lender in whose favour the guarantee is extended	Date of execution and validity of Counter Guarantee	Name of the counterparty and purpose of Counter Guarantee	Amount of the guarantee December 31, 2017) (Rs. in crore)
14.	Bank of India	Date of execution: 08.03.2017 Validity Date: 19.03.2020	Collateral security in respect of refinance facility of Rs. 1000 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated March 6, 2017.	95.75
15.	Axis Bank	Date of execution: 28.06.2017 Validity Date: 28.06.2020	Collateral security in respect of refinance facility of Rs. 1000 crore availed under Rural Housing fund from National Housing Bank vide sanction letter dated June 28, 2017.	250.00
Total				1,237.56

11.2 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by Company, in the past 5 Years:

NIL

11.3 Name and address of the valuer who performed valuation of the security offered

The bonds proposed to be offered is unsecured in nature

11.4 Details of contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the Objects of the Issue

NIL

11.5 Principal terms of the assets charged as security, if any

NIL

11.6 Details of any outstanding borrowings taken or debt securities issued at a premium or at a discount for consideration other than cash, whether in whole or in part since its incorporation.

Except as stated below, as on December 31, 2017, our Company has not issued any debt securities at a premium or at a discount, since incorporation:

- By virtue of a disclosure document dated August 30, 2013 and a resolution of the Resource Committee (sub-committee of the Board) on September 2, 2013, our Company allotted 1,908 tax free bonds of face value of Rs. 10,00,000, in the nature of secured, redeemable, non-convertible debentures ("2013 Private Placement Bonds") on a private placement basis aggregating to Rs. 190.80 crore, each at a premium of Rs. 0.02 for every Rs. 100, i.e., at a premium of Rs. 200 per 2013 Private Placement Bond.
- By virtue of a disclosure document dated July 29, 2015 and a resolution of the Resource Committee (sub-committee of the Board) on July 31, 2015, our Company allotted 1,510 tax free bonds of face value of Rs. 10,00,000, in the nature of secured, redeemable, non-convertible debentures ("2015 (Series-A) Private Placement Bonds") on a private placement basis aggregating to Rs. 151 crore, each at a premium fixed through multiple pricing under Book Building Route (i.e. Rs. 120 crore at a premium of Rs. 0.01 for every Rs. 100, Rs. 30 crore at a premium of Rs. 0.03 for every Rs. 100, and Rs. 1 crore at a premium of Rs. 0.04 for every Rs. 100).
- By virtue of a disclosure document dated September 30, 2015 and a resolution of the Resource Committee (sub-committee of the Board) on October 1, 2015, our Company allotted 1,0290 tax free bonds of face value of Rs. 10,00,000, in the nature of secured, redeemable, non-convertible debentures ("2015 (Series-B) Private Placement Bonds") on a private placement basis aggregating to Rs. 1,029 crore, each at a premium fixed through multiple pricing under Book Building Route (i.e. Rs. 166 crore at a premium of Rs. 0.01 for every Rs. 100, Rs. 371 crore at a premium of Rs. 0.02 for every Rs. 100, Rs. 10 crore at a premium of Rs. 0.03 for every Rs. 100, and Rs. 482 crore at a premium of Rs. 0.05 for every Rs. 100) (allotment made on October 1, 2015).
- By virtue of a disclosure document dated October 7, 2015 and a resolution of the Resource Committee (sub-committee of the Board) on October 9, 2015, our Company allotted 1,085 tax free bonds of face value of Rs. 10,00,000, in the nature of secured, redeemable, non-convertible debentures ("2015 (Series-C) Private Placement Bonds") on a private placement basis aggregating to Rs. 108.50 crore, each at a premium of Rs. 0.01 for every Rs. 100, i.e., at a premium of Rs. 100 per 2015 Private Placement Bond fixed through multiple pricing under Book Building.
- By virtue of a disclosure document dated February 18, 2016 and a resolution of the Resource Committee (sub-committee of the Board) on February 22, 2016 our Company allotted 2,115 tax free bonds of face value of Rs. 10,00,000, in the nature of secured, redeemable, non-convertible debentures ("2015 (Series-D) Private Placement Bonds") on a private placement basis aggregating to Rs. 211.50 crore, at a premium fixed through multiple pricing under Book Building

Route (i.e. Rs. 201.70 crore at a premium of Rs. 0.04 for every Rs. 100, Rs. 8 crore at a premium of Rs. 0.045 for every Rs. 100, Rs. 1.80 crore at a premium of Rs. 0.05 for every Rs. 100).

(f) Commercial Papers:

Nature of paper(in the nature of usance promissory note)	No. of units	Total value (Rs. crores)	Date of allotment	Discount per CP (Rs.)	Amount outstanding as date (Rs. crores)	Redemption terms
8.25% CP Series A 2013	6,000	300.00	June 7, 2013	6,690.00	0.00*	Repayable at the end 60 days from the date of allotment i.e. August 6, 2013.*
7.60% CP Series B 2013	2,000	100.00	July 12, 2013	6,169.50	0.00*	Repayable at the end 60 days from the date of allotment i.e. September 10, 2013.*
7.64% CP Series B 2013	2,000	100.00	July 12, 2013	7,728.00	0.00*	Repayable at the end 75 days from the date of allotment i.e. on September 25, 2013.*
8.64% CP Series C 2013	8,000	400.00	November 12, 2014	5,617.50	0.00*	Repayable at the end 48 days from the date of allotment i.e. on December 30, 2013.*
8.79% CP Series A 2014	10,000	500.00	April 11, 2014	5,813.50	0.00*	Repayable at the end 49 days from the date of allotment i.e. on May 29, 2014.
8.64% CP Series B 2014	14,000	700.00	July 28, 2014	3,642.50	0.00*	Repayable at the end 31 days from the date of allotment i.e. on August 27, 2014.
8.53% CP Series C 2014	12,000	600.00	October 8, 2014	5,889.00	0.00*	Repayable at the end 51 days from the date of allotment i.e. on November 28, 2014.
8.42% CP Series D 2014	9,000	450.00	October 28, 2014	3,550.00	0.00*	Repayable at the end 31 days from the date of allotment i.e. on November 28, 2014.
8.12% CP Series E 2014	9,000	450.00	February 9, 2015	1,994.00	0.00*	Repayable at the end 18 days from the date of allotment i.e. on February 27, 2015
8.05% CP Series A 2015	20,000	1,000.00	April 13, 2015	5,021.50	0.00*	Repayable at the end 46 days from the date of allotment i.e. on May 29, 2015
8.07% CP Series B 2015	10,000	500.00	April 17, 2015	6,546.00	0.00*	Repayable at the end 46 days from the date of allotment i.e. on June 16, 2015
8.20% CP Series C 2015	10,000	500.00	April 23, 2015	6,650.00	0.00*	Repayable at the end 46 days from the date of allotment i.e. on June 22, 2015
7.95% CP Series D 2015	22,000	1,100.00	June 22, 2015	6,450.00	0.00*	Repayable at the end 60 days from the date of allotment i.e. on August 21, 2015
7.15% CP Series E 2015	6,000	300.00	November 6, 2015	2,048.50	0.00*	Repayable at the end 21 days from the date of allotment i.e. on November 27, 2015
7.25% CP Series F 2015	3,000	150.00	January 14, 2016	4,234.50	0.00*	Repayable at the end 43 days from the date of allotment i.e. on February 26, 2016
7.70% CP Series G 2015	8,000	400.00	January 22, 2016	3,664.50	0.00*	Repayable at the end 35 days from the date of allotment i.e. on February 26, 2016
8.60% CP Series H 2015	14,000	700.00	February 25, 2016	10,382.50	0.00*	Repayable at the end 90 days from the date of allotment i.e. on May 25, 2016
8.23% CP Series I 2015	12,000	600.00	March 23, 2016	7,550.50	0.00*	Repayable at the end 68 days from the date of allotment i.e. on May 30, 2016
7.25% CP Series A 2016	3,000	150.00	April 07, 2016	4,527.00	0.00*	Repayable at the end 46 days from the date of allotment i.e. on May 23, 2016
7.08% CP Series B 2016	5,000	250.00	June 16, 2016	7,169.50	0.00*	Repayable at the end 75 days from the date of

Nature of paper(in the nature of usance promissory note)	No. of units	Total value (Rs. crores)	Date of allotment	Discount per CP (Rs.)	Amount outstanding as date (Rs. crores)	Redemption terms
						allotment i.e. on August 30,2016
6.83% CP Series C 2016	4,000	200.00	July 01, 2016	5,551.50	0.00*	Repayable at the end 60 days from the date of allotment i.e. on August 30,2016
6.43% CP Series D 2016	6,000	300.00	October 5, 2016	4,884.50	0.00*	Repayable at the end 56 days from the date of allotment i.e. on November 30,2016
6.40% CP Series E 2016	7,000	350.00	October 10, 2016	4,000.50	0.00*	Repayable at the end 46 days from the date of allotment i.e. on November 25,2016
6.56% CP Series F 2016	4,000	200.00	October 28, 2016	4,982.00	0.00*	Repayable at the end 56 days from the date of allotment i.e. on December 23, ,2016
6.37% CP Series G 2016	8,000	400.00	Decemb er 23, 2016	5,779.00	0.00*	Repayable at the end 67 days from the date of allotment i.e. on February 28, 2017
6.34% CP Series H 2016	20,000	1,000.00	March 27, 2017	5,157.00	0.00*	Repayable at the end 60 days from the date of allotment i.e. on May 26, 2017
6.42% CP Series I 2016	10,000	500.00	March 30, 2017	5,221.50	0.00*	Repayable at the end 60 days from the date of allotment i.e. on May 29, 2017
6.21% CP Series A 2017	10,000	500.00	April 13, 2017	6,465.50	0.00*	Repayable at the end 77 days from the date of allotment i.e. on June 29, 2017
6.38% CP Series B 2017	16,000	800.00	July 5, 2017	4,675.50	0.00*	Repayable at the end 54 days from the date of allotment i.e. on August 28, 2017
6.11% CP Series C 2017	12,000	600.00	October 9, 2017	4,150.00	0.00*	Repayable at the end 50 days from the date of allotment i.e. on November 28, 2017
6.11% CP Series D 2017	5,000	250.00	October 18, 2017	3,573.50	0.00*	Repayable at the end 50 days from the date of allotment i.e. on November 30, 2017
6.26% CP Series E 2017	28,000	1400.00	Novemb er 8, 2017	7,600.50	0.00*	Repayable at the end 90 days from the date of allotment i.e. on February 6, 2018
6.68% CP Series F 2017	16,000	800.00	Novemb er 17, 2017	15,946.00	800.00	Repayable at the end 180 days from the date of allotment i.e. on May 16, 2018
6.78% CP Series G 2017	20,000	1,000.00	Decemb er 7, 2017	15,741.50	1,000.00	Repayable at the end 175 days from the date of allotment i.e. on May 31, 2018
7.10% CP Series H	14,000	1,000.00	January 16, 2018	8,603.00	700.00	Repayable at the end 90 days from the date of allotment i.e. on April 16,

Nature of paper(in the nature of usance promissory note)	No. of units	Total value (Rs. crores)	Date of allotment	Discount per CP (Rs.)	Amount outstanding as date (Rs. crores)	Redemption terms
						2018
6.42% CP Series I	16,500	1,000.00	January 23, 2018	6,052.55	825.00	Repayable at the end 59 days from the dated of allotment i.e. on March 23, 2018
* As on date, these commercial papers have been repaid by our Company						

11.7 Details of debt securities issued by our Company in pursuance of an option

Provided below are brief details of debt securities issued by our Company in pursuance of an option which are outstanding as on date:

S no.	Instrument type	Date of issue	Issue size (Rs. crores)	Option provided	Date of redemption
	NIL				

11.8 Details of commercial paper (in the nature of Usance promissory notes) issued by HUDCO during FY 2017-18

Nature of paper	Total value (Rs. Crores)	Date of allotment	Amount outstanding (Rs. crores)	Interest/ yield rate (% p.a.)	Redemption terms
6.21% CP Series A 2017	500.00	April 13, 2017	0.00*	6.21	Repayable at the end 77 days from the dated of allotment i.e. on June 29, 2017
6.38% CP Series B 2017	800.00	July 5, 2017	0.00*	6.38	Repayable at the end 54 days from the dated of allotment i.e. on August 28, 2017
6.11% CP Series C 2017	600.00	October 9, 2017	0.00*	6.11	Repayable at the end 50 days from the dated of allotment i.e. on November 28, 2017
6.11% CP Series D 2017	250.00	October 18, 2017	0.00*	6.11	Repayable at the end 50 days from the dated of allotment i.e. on November 30, 2017
6.26% CP Series E 2017	1400.00	November 8, 2017	0.00*	6.26	Repayable at the end 90 days from the dated of allotment i.e. on February 6, 2018
6.68% CP Series F 2017	800.00	November 17, 2017	800.00	6.68	Repayable at the end 180 days from the dated of allotment i.e. on May 16, 2018
6.78% CP Series G	1,000.00	December 7, 2017	1,000.00	6.78%	Repayable at the end 175 days from the dated of allotment i.e. on May 31, 2018
7.10% CP Series H	700.00	January 16, 2018	700.00	7.10%	Repayable at the end 90 days from the dated of allotment i.e. on April 16, 2018
6.42% CP Series I	825.00	January 23, 2018	825.00	6.42%	Repayable at the end 59 days from the dated of allotment i.e. on March 23, 2018
*As on date, these commercial papers have been repaid by our Company					

11.9 OTHER BORROWINGS (INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS ("FCCBs"), OPTIONALLY CONVERTIBLE BONDS/ DEBENTURES/ PREFERENCE SHARES)

The Issuer has not issued any hybrid debt like foreign currency convertible bonds ("FCCBS"), optionally convertible bonds/ debentures/ preference shares)

11.10 Top Ten Lenders of Term Loan (as on 30.09.2017) *

S.N O	NAME OF PARTY	Rs. in crore
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S.N O	NAME OF PARTY	Rs. in crore
1.	National Housing Bank	3,737.38
2.	Bank of India (KM)	56.09
* Top 10 Term loan lenders have been shown on a cumulative basis of all outstanding term loans		

11.11 Top Ten Bondholders (as on 30.09.2017) *

S.No	NAME OF PARTY	Rs. in crore
1	Punjab National Bank	2706.79
2	State Bank of India	959.26
3	CBT EPF-11-D-DM	614.60
4	ITC Ltd.	553.06
5	Shree Cement Ltd.	471.49
6	Hindustan Zinc Ltd.	427.04
7	BSE Ltd.	241.94
8	India bulls housing finance ltd.	200.00
9	The New India Assurance Company Ltd.	150.00
10	Shriram General Insurance Company Ltd.	146.70
* Top 10 holder's of bonds have been shown on a cumulative basis of all outstanding bonds.		

11.12 Borrowing powers of the Board

Pursuant to a Special resolution passed by the shareholders of our Company in AGM dated September 28, 2017 and in accordance with the provisions of the Companies Act, the Board is authorized to borrow sums of money upon such terms and conditions and for such purposes as the Board may think fit, provided the aggregate indebtedness of our Company, shall not, at any given time, exceed Rs. 60,000 crore.

The Issue is being made pursuant to the resolutions passed by the Board on March 17, 2017 and September 28, 2017.

11.13 Brief Note on Public Offers

- INITIAL PUBLIC OFFER (IPO): Our Company had made an IPO of 20,40,58,747 Equity Shares for cash at a price of Rs.60 per Equity Share (including a premium of Rs.50 per Equity Share) aggregating to Rs. 1,209.57 crores through a prospectus dated May 12, 2017. The said IPO comprised an offer for sale of 20,40,58,747 Equity Shares by our Promoter. Further, the said IPO comprised a net issue of 20,01,90,000 Equity Shares to the public and a reservation of 38,68,747 Equity Shares for subscription by certain eligible employees. The IPO opened on May 8, 2017 and closed on May 11, 2017. Allotment of Equity Shares and dispatch of refunds pursuant to the IPO of our Company was made on May 17, 2017 respectively. Trading at NSE and BSE in equity shares allotted in IPO commenced on May 19, 2017.
- HUDCO came out with the Public issue of Long Term Tax-free Bonds (Two tranches) during the financial year 2015-16, of face value of Rs. 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income tax Act for 10 years and 15 years wherein an amount of Rs. 3,500.00 crore was mobilized.
- HUDCO came out with the Public issue of Long Term Tax-free Bonds (Three tranches) during the financial year 2013-14, of face value of Rs. 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income tax Act for 10 years, 15 years and 20 years wherein an amount of Rs. 4,796.32 crore was mobilized in three tranches.
- HUDCO came out with the Public issue of Long Term Tax-free Bonds (Two tranches) during the financial year 2012-13, of face value of Rs. 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income tax Act for 10 years and 15 years wherein an amount of Rs. 2,401.3526 crore was mobilized in two tranches.
- HUDCO came out with the Public issue of Long Term Tax-free Bonds during the financial year 2011-12, of face value of Rs. 1,000 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income tax Act for 10 years and 15 years wherein an amount of Rs. 4,684.72 crore was mobilized.

11.14 FINANCIAL INFORMATION (Standalone and Consolidated)

- A summary of the financial position of the company for the three audited balance sheets immediately preceding the date of circulation of Information Memorandum on standalone basis-

S.No	PARTICULARS	Rs. in crore)		
		As at 31 st March, 2017	As at 31 st March, 2016	As at 31 st March, 2015
I	EQUITY AND LIABILITIES			

S.No	PARTICULARS	As at	As at	As at
		31 st March, 2017	31 st March, 2016	31 st March, 2015
(1)	Share Holders' Funds			
	(a) Share Capital	2,001.90	2,001.90	2,001.90
	(b) Reserves and Surplus	7,165.35	6,443.91	5,779.27
	Sub-Total (1)	9,167.25	8,445.81	7,781.17
(2)	Non-current Liabilities			
	(a) Long-term Borrowings	24,953.67	21,342.02	18,315.14
	(b) Deferred Tax Liabilities (Net)	425.26	485.67	506.89
	(c) Other Long-term Liabilities	36.59	32.20	73.11
	(d) Long-term Provisions	309.78	290.93	258.92
	Sub-Total (2)	25,725.30	22,150.82	19,154.06
(3)	Current Liabilities			
	(a) Short-term Borrowings	1,740.00	1,390.00	0.00
	(b) Trade Payable	8.84	17.85	9.34
	(c) Other Current Liabilities	2,631.91	3,718.69	5,977.26
	(d) Short-term Provisions	48.85	154.98	191.54
	Sub-Total (3)	4,429.60	5,281.52	6,178.14
	Total (1+2+3)	39,322.15	35,878.15	33,113.37
II	ASSETS			
(1)	Non-current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	72.06	72.57	74.62
	(ii) Intangible Assets	0.03	0.05	0.07
	(iii) Capital work-in-progress	31.82	28.27	24.94
		103.91	100.89	99.63
	(b) Non-current Investments	368.52	368.53	355.68
	(c) Long-term Loans and Advances	33,217.49	29,561.14	27,173.93
	(d) Other Non-current Assets	-	-	-
	Sub-Total (1)	33,689.92	30,030.56	27,629.24
(2)	Current Assets			
	(a) Current Investments	0.00	-	400.00
	(b) Trade Receivable	3.85	2.05	10.05
	(c) Cash and Bank Balances	332.84	590.07	284.92
	(d) Short Term Loan & Advances	4,309.05	4,243.92	3,869.15
	(e) Other Current Assets	986.48	1,011.55	920.01
	Sub-Total (2)	5,632.23	5,847.59	5,484.13
	Total (1+2)	39,322.15	35,878.15	33,113.37

(ii) Profits of the Company for the three years immediately preceding the date of circulation of Private Placement Offer Letter on standalone basis:

(Rs. in crore)

S.No	PARTICULARS	Year ended	Year ended	Year ended
		31 st March, 2017	31 st March, 2016	31 st March, 2015
I	Income			
(i)	Revenue from Operations	3,498.85	3,204.81	3,346.55
(ii)	Other Income	85.99	97.39	81.22
	Total Revenue - I (i+ii)	3,584.84	3,302.20	3,427.77
II	Expenses			
(i)	Finance Cost	1,986.32	1,907.37	1,775.38
(ii)	Employee Benefits Expense	124.41	140.40	161.37
(iii)	Depreciation and Amortisation	4.68	4.51	5.28
(iv)	Other Expenses	42.05	43.41	38.19
(v)	Corporate Social Responsibilities Expenditure	4.29	4.73	3.23
(vi)	Provision on Loans	84.42	399.76	101.28
(vii)	Provision on Debtors/recoverables, other loans and advances	0.91	4.44	2.52
(viii)	Provision on Investment	-	-	-
(ix)	Additional Provision on Loans	291.00	(275.00)	170.00
	Total Expenses (II)	2,459.08	2,229.62	2,257.25

III	Profit before exceptional, extraordinary Items and tax III (I-II)	1,125.78	1,072.58	1,170.52
IV	Exceptional Items	0.26	5.16	0.00
V	Profit before extraordinary Items and tax V (III+IV)	1,126.02	1,077.74	1,170.52
VI	Extraordinary Items	-	-	-
VII	Prior period adjustments - Income/ (-)Expenditure	48.98	(0.64)	10.42
VIII	Profit Before Tax VI (V-VI+ VII)	1,175.00	1,077.10	1,180.94
IX	Tax Expense			
(i)	Current tax	389.80	314.00	391.50
(ii)	Deferred tax	(60.41)	(21.22)	12.07
(iii)	Adjustment of tax of earlier years (Net)	3.80	0.53	(0.26)
	Total Tax Expense IX (i+ii+iii)	333.19	293.31	403.31
X	Profit for the period X (VIII-IX)	841.81	783.79	777.63
XI	Earnings per Share (Face value Rs. 10/-)			
	(Refer S.No 25 of Note No 26 - Explanatory Notes)			
	(1) Basic	4.21	3.92	3.88
	(2) Diluted	4.21	3.92	3.88

(iii) Audited cash flow statement for the three years immediately preceding the date of circulation of Private Placement Offer Letter on standalone basis:

(Rs. in crore)

S.No	PARTICULARS	Year ended	Year ended	Year ended
		31st March, 2017	31st March, 2016	31st March, 2015
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1,126.02	1077.74	1170.52
	Add/ (Less): Adjustments for:			
(i)	Depreciation	4.68	4.51	5.28
(ii)	Provision on loans & advances	0.23	1.90	(2.55)
(iii)	Provision for leave encashment	0.87	0.99	5.28
(iv)	Provision for post retirement medical benefit	(2.55)	15.40	21.35
(v)	Provision for Loans	84.42	399.76	101.28
(vi)	Provision for welfare expenditure	0.04	0.02	0.58
(vii)	Provision for LTC	0.25	2.91	(5.13)
(viii)	Provision for Provident Fund	-	-	0.00
(ix)	Provision for Corporate Social Responsibilities (CSR)	(1.40)	(3.12)	(8.36)
(x)	Additional Provision for Loans	215.00	(275.00)	170.00
(xi)	Provision for Wealth Tax	-	-	0.25
(xii)	Provision for Interest under Income tax Act	3.00	1.85	5.40
(xiii)	Prior Period Adjustments (Net)	48.98	(0.64)	10.42
(xiv)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.04)	(0.05)	0.01
(xv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	(3.10)	16.74	(13.13)
(xvi)	Loss (profit) on sale of investment	0.12	-	-
(xvii)	Provision on investment written back	(0.26)	-	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,473.26	1243.01	1461.20
	Adjustment for			
(i)	Decrease/(Increase) in Loans	(3994.55)	(2872.65)	(3094.93)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	184.68	(266.12)	(419.93)
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	123.28	(2689.29)	1496.68
	CASH GENERATED FROM OPERATIONS	(2213.33)	(4585.05)	(556.98)
(iv)	Direct taxes paid(Net of refunds)	(381.69)	(384.00)	373.52
(v)	Securities Premium on Bonds	-	1.22	0.00
(vi)	KFW Reserve	-	0.00	1.15
	NET CASH FLOW FROM OPERATING ACTIVITIES	(2,595.02)	(4967.83)	(182.31)

B	CASH FLOW FROM INVESTING ACTIVITIES			
(i)	Sale / (Purchase) of Investment	0.14	387.15	(1.80)
(ii)	Purchase of fixed assets	(7.68)	(6.06)	(10.83)
(iii)	Sale of Fixed assets	0.02	0.34	0.02
	NET CASH FLOW FROM INVESTING TIES	(7.52)	381.43	(12.61)
C	CASH FLOW FROM FINANCING ACTIVITIES			
(i)	Proceed from borrowings (Net)	2750.07	4766.44	321.37
(ii)	Corporate Dividend Tax Paid	(40.72)	(20.49)	(17.00)
(iii)	Dividend Paid	(200.02)	(100.01)	(100.01)
	NET CASH FLOW FROM FINANCING ACTIVITIES	2,509.33	4645.94	204.36
	Net changes in cash & cash equivalents (a+b+c)	(93.21)	59.54	9.44
	Cash & cash equivalents - opening balance **	140.72	81.18	71.74
	Cash & cash equivalents - closing balance	47.51	140.72	81.18
	Net increase/decrease in cash & cash equivalents	(93.21)	59.54	9.44

(iv) A summary of the financial position of the company for the three audited balance sheets immediately preceding the date of circulation of Information Memorandum on consolidated basis-

(Rs. in crore)

S.No	PARTICULARS	As at	As at	As at
		31st March, 2017	31st March, 2016	31st March, 2015
I	EQUITY AND LIABILITIES			
(1)	Share Holders' Funds			
	(a) Share Capital	2,001.90	2,001.90	2,001.90
	(b) Reserves and Surplus	7,165.68	6,443.81	5,780.17
	Sub-Total (1)	9,167.58	8,445.71	7,782.07
(2)	Minority Interest	0.78	0.78	0.78
(3)	Non-current Liabilities			
	(a) Long-term Borrowings	24,966.15	21,354.39	18,327.40
	(b) Deferred Tax Liabilities (Net)	425.26	485.67	506.89
	(c) Other Long-term Liabilities	36.66	32.27	73.18
	(d) Long-term Provisions	309.79	290.94	258.93
	Sub-Total (3)	25,737.86	22,163.27	19,166.40
(4)	Current Liabilities			
	(a) Short-term Borrowings	1,741.13	1,391.08	1.01
	(b) Trade Payable	8.97	17.98	9.47
	(c) Other Current Liabilities	2,633.87	3,720.18	5,978.33
	(d) Short-term Provisions	48.86	154.99	191.54
	Sub-Total (4)	4,432.83	5,284.23	6,180.35
	Total (1+2+3+4)	39,339.05	35,893.99	33,129.60
II	ASSETS			
(1)	Non-current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	72.07	72.58	74.62
	(ii) Intangible Assets	0.03	0.05	0.07
	(iii) Capital work-in-progress	43.37	39.41	35.66
		115.47	112.04	110.35
	(b) Non-current Investments	366.52	366.53	353.68
	(c) Long-term Loans and Advances	33,223.73	29,567.38	27,180.17
	(d) Other Non-current Assets	-	-	-
	Sub-Total (1)	33,705.72	30,045.95	27,644.20
(2)	Current Assets			
	(a) Current Investments	0.01	-	400.00
	(b) Trade Receivable	5.90	4.25	12.28
	(c) Cash and Bank Balances	332.89	590.11	284.98
	(d) Short Term Loan & Advances	4,307.94	4,242.02	3,868.02
	(e) Other Current Assets	986.59	1,011.66	920.12

S.No	PARTICULARS	As at	As at	As at
		31st March, 2017	31st March, 2016	31st March, 2015
	Sub-Total (2)	5,633.33	5,848.04	5,485.40
	Total (1+2)	39,339.05	35,893.99	33,129.60

(v) Profits of the Company for the three years immediately preceding the date of circulation of Private Placement Offer Letter on consolidated basis:

(Rs. in crore)

S.No	PARTICULARS	Year ended	Year ended	Year ended
		31st March, 2017	31st March, 2016	31st March, 2015
I	Income			
(i)	Revenue from Operations	3,498.85	3,204.81	3,346.56
(ii)	Other Income	85.99	97.39	81.73
	Total Revenue - I (i+ii)	3,584.84	3,302.20	3,428.29
II	Expenses			
(i)	Finance Cost	1,986.46	1,907.52	1,775.50
(ii)	Employee Benefits Expense	124.47	140.46	161.54
(iii)	Depreciation and Amortisation	4.68	4.51	5.28
(iv)	Other Expenses	42.18	43.44	38.41
(v)	Corporate Social Responsibilities Expenditure	4.29	4.73	3.23
(vi)	Provision on Loans	80.66	400.52	100.52
(vii)	Provision on Debtors/recoverables, other loans and advances	0.91	4.44	2.52
(viii)	Provision on Investment	-	-	-
(ix)	Additional Provision on Loans	215.00	(275.00)	170.00
	Total Expenses (II)	2,458.65	2,230.62	2,257.00
III	Profit before exceptional, extraordinary Items and tax III (I-II)	1,126.19	1,071.58	1,171.29
IV	Exceptional Items	0.26	5.16	0.00
V	Profit before extraordinary Items and tax V (III+IV)	1,126.45	1,076.74	1,171.29
VI	Extraordinary Items	-	-	-
VII	Prior period adjustments - Income/ (-) Expenditure	48.98	(0.64)	10.42
VIII	Profit Before Tax VI (V-VI+VII)	1,175.43	1,076.10	1,181.71
IX	Tax Expense			
(i)	Current tax	389.80	314.00	391.50
(ii)	Deferred tax	(60.41)	(21.22)	12.07
(iii)	Adjustment of tax of earlier years (Net)	3.80	0.53	(0.26)
	Total Tax Expense IX (i+ii+iii)	333.19	293.31	403.31
X	Profit for the period X (VIII-IX)	842.24	782.79	778.40
XI	Earnings per Share (Face value Rs. 10/-)			
	(Refer S.No 25 of Note No 26 - Explanatory Notes)			
	(1) Basic	4.21	3.91	3.89
	(2) Diluted	4.21	3.91	3.89

(vi) Audited cash flow statement for the three years immediately preceding the date of circulation of Private Placement Offer Letter on consolidated basis:

(Rs. in crore)

S.No	PARTICULARS	Year ended	Year ended	Year ended
		31st March, 2017	31st March, 2016	31st March, 2015
	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1,126.45	1076.74	1171.29
	Add/ (Less): Adjustments for:			
(i)	Depreciation	4.68	4.51	5.28
(ii)	Provision on loans & advances	0.23	1.90	(2.55)
(iii)	Provision for leave encashment	0.87	0.99	5.28
(iv)	Provision for post retirement medical benefit	(2.55)	15.40	21.35
(v)	Provision for Loans	80.66	400.52	100.52
(vi)	Provision for welfare expenditure	0.04	0.02	0.58

(vii)	Provision for LTC	0.25	2.91	(5.13)
(viii)	Provision for Provident Fund	-	-	0.00
(ix)	Provision for Corporate Social Responsibilities (CSR)	(1.40)	(3.12)	(8.36)
(x)	Additional Provision for Loans	215.00	(275.00)	170.00
(xi)	Provision for Wealth Tax	-	-	0.25
(xii)	Provision for Interest under Income tax Act	3.00	1.85	5.40
(xiii)	Prior Period Adjustments (Net)	48.98	(0.64)	10.42
(xiv)	Loss/ (Profit) on sale of Fixed Assets (Net)	(0.04)	(0.05)	0.01
(xv)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	(3.10)	16.74	(13.13)
(xvi)	Loss (profit) on sale of investment	0.12	-	-
(xvii)	Provision on investment written back	(0.26)	-	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,472.93	1242.77	1461.21
	Adjustment for			
(i)	Decrease/(Increase) in Loans	(3994.55)	(2872.65)	(3093.02)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances	184.80	(718.23)	(428.55)
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	123.75	(3,004.71)	1497.87
	CASH GENERATED FROM OPERATIONS	(2213.07)	(5,352.82)	(562.49)
(iv)	Direct taxes paid (Net of refunds)	(381.69)	384.00	373.52
(v)	Securities Premium on Bonds	-	1.22	0.00
(vi)	Surplus	-	-	0.13
(vii)	KFW Reserve	-	0.00	1.15
	NET CASH FLOW FROM OPERATING ACTIVITIES	(2,594.76)	(4967.60)	(187.69)
B	CASH FLOW FROM INVESTING ACTIVITIES			
(i)	Sale / (Purchase) of Investment	0.14	387.15	0.20
(ii)	Purchase of fixed assets	(8.09)	(6.49)	(21.55)
(iii)	Sale of Fixed assets	0.02	0.34	0.02
	NET CASH FLOW FROM INVESTING ACTIVITIES	(7.93)	381.00	(21.33)
C	CASH FLOW FROM FINANCING ACTIVITIES			
(i)	Proceed from borrowings (Net)	2750.23	4766.62	335.48
(ii)	Corporate Dividend Tax Paid	(40.72)	(20.49)	(17.00)
(iii)	Dividend Paid	(200.02)	(100.01)	(100.01)
	NET CASH FLOW FROM FINANCING ACTIVITIES	2,509.49	4646.12	218.47
	Net changes in cash & cash equivalents (a+b+c)	(93.20)	59.52	9.45
	Cash & cash equivalents - opening balance	140.74	81.22	71.77
	Cash & cash equivalents - closing balance	47.54	140.74	81.22
	Net increase/decrease in cash & cash equivalents	(93.20)	59.52	9.45

11.15 Auditors' Qualifications

Details with respect to qualifications, reservations and adverse remarks of the auditors of the Company in the last five financial years immediately preceding the year of circulation of Private Placement Offer Letter and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said qualifications, reservations and adverse remarks are given as under:

Qualifications in the Auditor's report on financial statements as on and for the year ended 31st March 2017, 31st March 2016, 31st March 2015, 31st March 2014 and 31st March, 2013.

(a) **Qualifications in the auditor's report on financial statements as on and for the year ended 31st March 2017**

NIL

(b) **Qualifications in the auditor's report on financial statements as on and for the year ended 31st March 2016**

NIL

- (c) There are qualifications in the auditor's report on financial statements as on and for the year ended 31st March 2015 and management reply on the same, are as under:

	Auditor Qualification	Management Reply
(i)	The company has made an adjustment by way of book entry and has adjusted an amount of Rs. 146.98 crore, receivable from 3 borrowers on account of interest due upto a specific period and have shown the same as release on account of interest during construction period (IDCP). These accounts, as on the date of book adjustment, were non-performing accounts (NPA) as per the guidelines issued by National Housing Bank (NHB). The same is in contravention of the guidelines and prudential norms in respect of income recognition, issued by the NHB and the Accounting Standard (AS) - 9 on "Income Recognition" specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014. Such adjustment has resulted in overstatement of profit by Rs. 287.15 crore, overstatement of loans & advances by Rs. 146.98 crore and understatement of provision for non-performing assets by Rs. 140.17 crore.	Interest during Construction Period (IDCP) is financed as a part of the project cost as stated in the loan agreement and within the approved project cost. As per HUDCO's policy/ guidelines, in case the borrower agrees, HUDCO releases the IDCP due amount and pay to self so that the payment in Loan Accounts is appropriately accounted for. This facility is available to all the borrowers. However, in defaulting cases (normally consortium cases) IDCP is funded/ adjusted with the approval of the Board. Adjustment of IDCP is generally done with the consent of the borrower. As a normal process, compliance of pre disbursal conditions are ensured which in case of consortium and defaulting agency is a time consuming process. In the process, sometimes the agency comes under NPA. The adjustment of IDCP is done with the specific approval of Board duly informing the status of the agency. The above Position has also been explained in the Point No. 4 of Note 26.
(ii)	During the year, the company has created an additional provision of Rs. 170 crore for non performing assets, beyond the NHB norms. As a result, the ad-hoc provision for the non-performing assets stood at Rs. 390 crore as at 31st March 2015 as against Rs. 220 crore as at 31st March 2014. Consequently, the profit for the year is understated by Rs. 170 crore.	The Company is creating additional provision on loans as per the approved accounting policy duly recommended and approved by Audit Committee & Board The additional provision is considered prudent keeping in view the unforeseen events and happenings such as change in policy of Government & procedural delays in repayment from Government agencies etc. Position has also been explained in the Point No. 3(b) of Note 26 of annual report for FY 2014-15.

- (d) There are qualifications in the auditor's report on financial statements as on and for the year ended 31st March 2014 and management reply on the same, are as under:

	Auditor Qualification	Management Reply
(i)	During the year, Company has utilized a sum of Rs 160 crore out of the excess provision of Rs 380 crore held by it beyond the NHB norms, for Non-Performing Assets as at the end of the previous year ending 31.03.2013. As a result, the adhoc provision for Non-Performing Assets beyond NHB norms stood at Rs. 220.00 crore as at 31.03.2014. Consequently, the profit for the year is higher by Rs. 160.00 crore.	The additional provision is considered prudent keeping in view the unforeseen events & happenings such as change in policy of Government & procedural delays in repayment from Government agencies etc.. The position has been disclosed in point no. 3(b) in Note 24, Explanatory Notes of Annual Accounts for the year 2013-14
(ii)	The Company is accounting for application fees, front-end-fee, administrative fees and processing fees on loans on realization basis instead of accounting for on accrual basis, the effect of which has not been ascertained.	The Company has the accounting policy of recognizing application fees, front-end-fee, administrative fees and processing fees on loans on realization basis which has also been disclosed in the Accounting Policies.

- (e) There are qualifications in the auditor's report on financial statements as on and for the year ended 31st March 2013 which are as under:

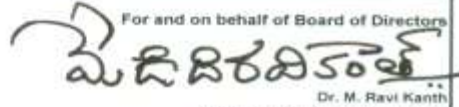
	Auditor Qualification	Management Reply
(i)	During the year, Company is decided to make additional provision of Rs.65 crore for Non-Performing Assets beyond the NHB norms. As a result, the adhoc provision stood at Rs. 380.00 crore as at 31.03.2013 as against Rs. 315.00	The provision on loans as per NHB norms has increased by Rs. 67.99 crore during the year which stood at Rs. 1,045.96 crore as on 31.3.2013 (as against Rs. 77.97 crore as on 31.3.2012). The Company has been making additional provision of

	crore as at 31.03.2012.and profit for the current year is lower by Rs. 65.00 crore..	NPA beyond NHB norms. The above adhoc provision stood at Rs. 380 crore on 31.3.2013 (Previous Year Rs. 315 crore). The additional provision is considered prudent keeping in view the unforeseen events & happenings such as change in policy of Government & Procedural delays in repayment from Government agencies. The total NPA provision made by Company is Rs. 1,425.96 crore as on 31.3.2013 (against Rs. 1,292.97 crore as on 31.3.2012).
(ii)	The Company is accounting for application fees, front-end-fee, administrative fees and processing fees on loans on realization basis instead of accounting for on accrual basis, the effect of which has not been ascertained.	The Company has the accounting policy of recognizing application fees, front-end-fee, administrative fees and processing fees on loans on realization basis which has also been disclosed in the Accounting Policies.

11.16 CHANGES IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY

FY	Changes in Accounting Policies and their impact
2016-17	<p>During the Year 2016-17, five of the accounting policies have been modified wherein some clarificatory changes have been made, one accounting policy on 'Cost of Mobile phones reimbursed to employees upfront.' has been deleted and a new accounting policy clarifying the position of charging depreciation on the Books has been incorporated. All the said changes are clarificatory in nature and have no financial impact.</p> <p>A. Modification in existing accounting policies.</p> <p>Basis of Preparation of Financial Statements</p> <p>i) The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India unless otherwise stated, the provisions of the Companies Act 2013, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2014 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company, as amended and applicable from time to time.</p> <p>Fixed Assets and Depreciation – Tangible Assets</p> <p>ii) The Company is using cost model for determining the gross carrying amount of fixed assets. Accordingly, fixed assets are shown at historical cost less accumulated depreciation. In case of properties where lease (sub-lease) / conveyance deed is yet to be executed, the cost is increased by an estimated amount of ten percent of cost of acquisition towards stamp duty/registration charges.</p> <p>iii) Depreciation is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying WDV method after retaining 5% of cost as residual value effective from 01.04.2014.</p> <p>Investments</p> <p>iv) Investments are carried at cost. A provision for diminution is made to recognize a decline, other than temporary in the value of long term investments as per Accounting Standard AS-13 "Accounting for Investments" and the guidelines issued by the NHB.</p> <p>Taxation</p> <p>v) Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act.</p> <p>B. New Accounting Policy</p> <p>Fixed Assets and Depreciation - Tangible Assets</p> <p>i) Books purchased during the year are clubbed under Library Books and depreciation thereon is provided @ 100%.</p> <p>C. Deleted Accounting Policy</p> <p>Fixed Assets and Depreciation – Tangible Assets</p> <p>i) Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.</p>
2015-16	<p>Cash and Cash equivalents</p> <p>Cash and cash Equivalent comprises of Cash-in-hand, Revenue Stamps in hand, Postal Stamps in hand (including Franking Machine Balance), Cheques/Drafts/Pay Orders/Remittances-in transit and balances with banks & RBI.</p> <p>Impact: NIL</p>
2014-15	NIL

11.17 STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS (REVIEWED) FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER 2017:

HOUSING AND URBAN DEVELOPMENT CORPORATION LTD. (A GOVT. OF INDIA UNDERTAKING) CIN: L74899DL1970GOI005276 GSTIN: 07AAACH0632A1ZP website: www.hudco.org REGISTERED OFFICE : HUDCO BHAWAN, CORE 7 A, INDIA HABITAT CENTRE, LODHI ROAD, NEW DELHI -110003 STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS (REVIEWED) FOR THE QUARTER & NINE MONTHS ENDED 31ST DECEMBER, 2017 (₹ in crore)							
S. No.	Particulars	31 st December, 2017 (Unaudited)	30 th September, 2017 (Unaudited)	31 st December, 2016 (Audited)	31 st December, 2017 (Unaudited)	31 st December, 2016 (Audited)	31 st March, 2017 (Audited)
I	Income						
(1)	Revenue from Operations	1064.49	942.18	912.88	2905.76	2613.02	3498.85
(2)	Other Income	27.39	23.57	16.94	80.95	64.97	85.99
	Total Revenue I (1+2)	1091.88	965.75	929.82	2986.71	2677.99	3584.84
II	Expenses						
(1)	Finance Cost	562.47	533.26	489.51	1625.02	1508.58	1986.32
(2)	Employee Benefits Expense	45.58	38.13	27.86	120.28	115.25	124.41
(3)	Depreciation and Amortisation	1.56	1.29	1.15	4.05	3.23	4.68
(4)	Other Expenses	12.55	10.90	7.29	33.68	27.37	42.05
(5)	Corporate Social Responsibilities	0.00	1.68	0.83	2.60	2.27	4.29
(6)	Provision on Loans	231.70	79.92	181.71	450.56	280.38	296.42
(7)	Provision on Debtors/recoverables, other loans and advances	0.00	0.00	0.00	0.00	0.17	0.91
	Total Expenses II (1+2+3+4+5+6+7)	853.86	665.20	708.35	2236.17	1937.25	2459.08
III	Profit before exceptional, extraordinary items and tax III (I-II)	238.02	300.55	221.47	750.54	740.74	1125.76
IV	Exceptional items	0.00	0.00	0.00	0.00	0.26	0.26
V	Profit before extraordinary items and tax V (III+IV)	238.02	300.55	221.47	750.54	741.00	1126.02
VI	Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00
VII	Prior period adjustments (Income+/- Expenditure-/-)	0.00	0.00	47.83	0.00	48.35	48.58
VIII	Profit Before Tax VIII (V-VI+VII)	238.02	300.55	269.30	750.54	789.35	1175.00
IX	Tax Expense						
(1)	Current tax	124.95	100.75	119.80	318.96	287.50	389.80
(2)	Deferred tax	(49.88)	(2.30)	(32.68)	(144.42)	(28.40)	(60.41)
(3)	Adjustment of tax of earlier years (Net)	(0.54)	0.00	0.00	(0.54)	3.86	3.86
	Total Tax Expense IX (1+2+3)	74.43	98.45	87.12	174.00	262.90	333.19
X	Profit for the period X (VIII-IX)	163.59	202.10	182.18	576.54	526.45	841.81
1	Paid-up Equity Share Capital (Face Value - Rs 10 per share)	2001.90	2001.90	2001.90	2001.90	2001.90	2001.90
2	Reserves excluding Revaluation Reserves						7185.35
3	Analytical Ratios						
(i)	Percentage of shares held by Government of India (%)	89.81	89.81	100	89.81	100.00	100
(ii)	Capital Adequacy Ratio (%)						49.93*
(iii)	Earnings per Share (EPS) (₹)						
(a)	Basic EPS before extraordinary items (not annualized)	0.82	1.01	0.91	2.88	2.63	4.21
(b)	Basic EPS after extraordinary items (not annualized)	0.82	1.01	0.91	2.88	2.63	4.21
	* as on 30 th September, 2017 (provisional)						
4	NPA Ratios						
(i)	Gross NPA				3141.87	2474.52	2386.23
(ii)	Net NPA				781.47	520.15	433.52
(iii)	Gross NPA (%)				6.99%	6.90%	6.02%
(iv)	Net NPA (%)				1.64%	1.51%	1.15%
(v)	Return on Assets (Annualized)				1.84	1.95	2.24
Notes:							
1 The above Standalone unaudited financial results for the quarter/ nine months ended 31 st December, 2017 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 5 th February, 2018. These unaudited financial results for the quarter/nine months ended 31 st December, 2017 have been reviewed by the Statutory Auditors of the Company in compliance with requirements of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.							
2 The company does not have more than one segment eligible for reporting in terms of Accounting Standard (AS-17) on "Segment Reporting" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.							
3 As notified by the Ministry of Corporate Affairs, the Company shall be implementing Indian Accounting standards (Ind-AS) from Financial Year 2018-19 onwards. Accordingly, information in respect of Comprehensive Income and Other Comprehensive Income is not applicable to the company.							
4 Pending receipt of Presidential Directive by the Administrative Ministry, Ministry of Housing and Urban Affairs (MoHUA) and implementation of pay revision & fixation of revised pay scales, an adhoc provision (on an estimated basis on average salary) amounting to ₹ 9 crore for nine months ended 31 st December, 2017 has been made towards pay revision effective from 1 st January, 2017. The Presidential Directive for the pay revision has since been received from MoHUA vide letter dated 25 th January, 2018 and the implementation of the revised pay scales is in process.							
5 An amount of ₹ 6 crore for nine months ended 31 st December, 2017 has been provisionally provided on an estimated basis in the accounts towards "Employee Benefits" as per AS-15 issued by Institute of Chartered Accountants of India.							
6 During the nine months ended 31 st December, 2017, the amount released towards CSR has not been fully spent therefore no further booking of CSR expenditure has been made during the quarter ended 31 st December 2017.							
7 In respect of Andrews Ganj Project (AGP) being executed by HUDCO as an agent on behalf of MoUD (now MoHUA), HUDCO does not retain any right or interest in the property leased to it and any expenditure and liability on account of this project is paid out of No Lien AGP Account maintained with HUDCO. Interest income of ₹ 19.88 crore on the amount deficit (recoverable) from MoUD has been booked for the period of nine months ended 31 st December, 2017. As on 31 st December, 2017, No Lien AGP account is in deficit (recoverable) to the extent of ₹ 382 crore, which includes amounts paid by HUDCO on behalf of MoUD and interest as on date.							
8 During the nine months ended 31 st December, 2017, the company has reversed excess Deferred Tax Liability on Special Reserve created under Section 36 (1)(viii) of Income Tax Act, 1961 amounting to ₹ 66.81 crore created in the earlier years.							
9 The final dividend of ₹ 10.01 crore for the financial year 2016-17, has been approved by the shareholders of the Company in its 47 th Annual General Meeting held on 28 th September, 2017 and subsequently was paid on 9 th October, 2017.							
10 The Company has provided provision for NPA of ₹ 2576.83 crore (including standard assets) as on 31 st December, 2017, as per accounting policy of the Company, as against the provision of ₹ 2351.83 crore required as per updated NHB Master Directions, 2010. Hence, the Company has provided an additional provision of ₹ 225 crore as on 31 st December, 2017 (₹ 330 crore as on 31 st March, 2017).							
11 In case of one of the borrowers, the loan asset was categorized as sub-standard by the company on 15 th April, 2015. However, in view of Hon'ble High Court of Madras Order, the company after seeking legal opinion with respect to asset classification, the loan asset has been re-classified from sub-standard to standard asset category. Had the account been classified as NPA, Company would be required to make a provision amounting to ₹ 193.03 crore as on 31 st December, 2017. Further, keeping in view the prudent accounting, the interest income of ₹ 89.69 crore has not been recognized in the Statement of Profit & loss during the nine months ending 31 st December, 2017.							
12 There were 5 number of investor complaints pending with HUDCO as on 31 st December, 2017. All the pending complaints have been resolved as on date.							
13 The figures of the previous periods have been regrouped/reclassified/re-stated wherever necessary in order to make them comparable with figures for the current period ended 31 st December, 2017.							
PLACE : New Delhi DATE : 5 th February, 2018		 For and on behalf of Board of Directors Dr. M. Ravi Kanth Chairman and Managing Director					

XII. LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no criminal prosecutions, tax proceedings and other outstanding litigations against our Company that may have a material adverse effect on our business, and there are no pending criminal prosecutions launched against our Directors.

Neither our Company nor our Directors associated in the past have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violation of securities laws committed by us in the past or pending against us.

The term “material” as used herein means:

- i. Any Legal Proceeding which may have any impact on the current or future revenues of the Company, whether individually or in aggregate, where the aggregate amount involved in such proceedings approximately exceeds Rs. 35.00 crore and above (after taking into consideration the provisioning made by the Company in its books in respect of such matters); and/or
- ii. Where such Legal Proceedings individually or in the aggregate is likely to disrupt and/or materially adversely impact the operations and/or profitability of the Company.

Applying the aforementioned parameters, in the view of our Company, all pending proceedings whether civil, arbitral, tax related litigations, or otherwise, of value more than Rs. 35.00 Crore (after taking into consideration the provisioning made by the Company in its books in respect of such matters) are material/potentially material to the Company.

A. Criminal proceedings against our Company

1. Blue Heavens Agro Industries Limited filed a criminal complaint (39(c)/2010) before the Chief Judicial Magistrate, Patna, arraigning one of our regional managers as an accused with respect to offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. The complainant alleged that our regional manager had conspired to sanction a loan to another co-accused, without due verification of the papers submitted to this effect or inspection of the project site. This matter is currently pending.
2. Goswami Developers Private Limited filed a criminal complaint (1473-c/2009) before the Chief Judicial Magistrate, Patna, against our Company and others, alleging offences under sections 120B, 406 and 482 of the Indian Penal Code, in relation to alleged non-disbursal of a part of a loan granted by our Company to the complainant. Our Company instituted quashing proceedings before the High Court of Patna, seeking to quash the proceedings pending before the Chief Judicial Magistrate, Patna. The High Court through its order dated December 14, 2012, allowed the quashing of the said proceedings in relation to all the accused excluding Deepak Kumar Jha, our deputy general manager. Subsequently, Deepak Kumar Jha filed an application before the Judicial Magistrate First Class, Patna, seeking discharge from liability in the aforesaid criminal case. This matter is currently pending.
3. Pankaj Kumar filed a criminal complaint (974/14) before the Judicial Magistrate, Ranchi against Ashok Kumar Gahlot and others, including certain officers of our Company, alleging offences under sections 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. The complainant contended that certain property belonging to him was mortgaged in the favour of our Company, on the basis of forged documents. It was alleged by the complainant that our Company failed to make relevant enquiries and site visits, implying connivance with the accused, allowing them to cheat him and other parties. Subsequently, a first information report (283/2014) was lodged at the Bariatu police station. Our Company has initiated quashing proceedings with respect to this matter before the High Court of Jharkhand. Pursuant to an order of the High Court of Jharkhand dated July 13, 2016, the proceedings before the Judicial Magistrate, Ranchi have been stayed until further orders. This matter is currently pending.
4. Himanshu Shekhar filed a criminal complaint (1262/14) before the Judicial Magistrate, Ranchi against Ashok Kumar Gahlot and others, including certain officers of our Company, alleging offences under sections 34, 120B, 406, 420, 467, 468 and 471 of the Indian Penal Code. The complainant contended that that certain property belonging to him was mortgaged in the favour of our Company, on the basis of forged documents. The complainant alleged that our Company failed to make necessary enquiries and site visits, implying that it had connived with the other accused, allowing them to cheat the complainant and other parties. Subsequently, a first information report (5/2015) was lodged at the Bariatu police station. Our Company has initiated quashing proceedings with respect to this matter before the High Court of Jharkhand. Pursuant to an order of the High Court dated September 14, 2016, the proceedings before the Judicial Magistrate, Ranchi have been stayed until further orders. This matter is currently pending.
5. Sreelatha Mukherjee filed a criminal complaint (1320/14) before the Judicial Magistrate First Class, Chavakkad against Sameeksha House and Homes Private Limited and others, including our Company and certain employees of our Company, alleging offences under sections 34, 107, 109, 120A, 120B, 209, 217, 218, 403, 405, 409, 421, 423 and 464 of the Indian Penal Code. Certain property mortgaged to our Company was alleged to have been sold to the complainant's mother, who

subsequently expired – thereby causing the property to devolve upon the complainant, her sister and her father, who were the legal heirs. It was contended by the complainant that certain officers of our Company, in collusion with the other accused, attempted to cheat the purchaser and her heirs of the property. Pursuant to the court taking cognisance of the alleged offences, our Company approached the High Court of Kerala, seeking quashing of proceedings pending before the Judicial Magistrate First Class, Chavakkad. Our Company has also been made a party to quashing proceedings initiated by Vijaykumar Prabha and other officers of Sameeksha House and Homes Private Limited. These matters are currently pending.

6. Santanu Datta filed a criminal complaint dated June 21, 2010 before the Dispur police station, pursuant to which a first information report was registered against certain officers of our Company and others, alleging that such officers of our Company, in collusion with the directors of Magus Constructions Private Limited, forged his and his wife's signatures on certain loan documents in relation to a facility of Rs. 1 crore extended by our Company to Magus Constructions Private Limited. The complainant pointed out that while he and his wife had resigned from the board of directors of Magus Constructions Private Limited in 2004, their signatures were forged onto certain loan documents executed by Magus Constructions Private Limited, in relation to a loan obtained from our Company in 2006. This matter is currently pending.
7. Balkrishna Sharma filed an application dated December 19, 2015 before the Chief Judicial Magistrate, Lucknow under section 156(3) of the Code of Criminal Procedure, seeking registration of a criminal case against one of the managers of our Company. It was alleged in the application that the applicant, Balkrishna Sharma had deposited certain documents, including original sale deeds and title deeds, with our Company. Since 2007, despite many repeated requests on the part of the applicant, our Company allegedly refused to return the aforesaid documents. It was further alleged that on November 20, 2015, one of our managers misbehaved with the applicant, also stating that the documents will only be returned in the presence of one Ramvriksha Gupta, the co-accused in the application. Pursuant to its order dated August 10, 2016, the Chief Judicial Magistrate, Lucknow took cognisance of the offence, directing that the Senior Executive Director (Personnel) conduct an investigation into the allegations and submit a report before the court on October 26, 2016. Further, affidavit together with condonation of delay application has been filed by GM, Retail Finance (RF) on 04.05.2017. The FIR was lodged on 01.06.2017 against Sh. Ramvriksha Gupta & Sh. Manoj Pandey, employee of HUDCO Niwas. Lucknow Regional Office (RO) received copy of FIR on 19.02.2018. RO is filing quashing petition before honorable High Court in couple of days. However, as informed by RO, Police has not questioned any witness of HUDCO under investigation.
8. Masrur Hussain filed a first information report dated May 7, 2012 before the Dispur police station, alleging that Pranab Kumar Sharma and Rita Sharma, in connivance with certain officers of our Company, forged the complainant's signatures onto certain loan documents, thereupon relying on such documents to obtain a loan from our Company. This matter is currently pending.
9. Arun Borah and Pallabi Borah filed a criminal complaint dated March 30, 2012 before the Latacil Police Station which has been registered as Latacil Police Station case no. 83/2012 under section 34, 419, 465, 468 & 471 of the Indian Penal Code against Pranjal Bharalee, the Managing Director of M/s Upasana Builders Pvt. Ltd., Sh. Achinta Sharma, Advocate and officials of our company, alleging that they in connivance / collusion with some other persons including the then Sub-Registrar, forged the complainant's signature onto certain loan documents and the other documents, mortgaged complainant's property etc. for obtaining loan from our company without complainant's knowledge. This matter is currently pending.

B. Material civil litigations initiated against our Company

1. North East India Trust for Education and Development (NEITED) filed a writ petition (371/2011) before the High Court of Gauhati (Shillong Bench), against the Union of India and others, including the Chairman and Managing Director of our Company, seeking the High Court of Gauhati (Shillong Bench) to direct our Company to consider and accept the application for one-time settlement of its outstanding dues, which was proposed by the petitioner. Through its order dated April 27, 2012, the High Court of Gauhati (Shillong Bench) directed our Company to dispose of the one-time settlement application proposed by the petitioner, in accordance with guidelines issued by the RBI in this regard. The court further directed that during the pendency of the application, our Company shall not recover any debts which were owed by the petitioner to the Company. Thereafter, our Company filed a writ appeal (10/2012) before the High Court of Gauhati (Shillong Bench) which was dismissed. A review petition (159/2013) filed against the order in the writ appeal was also dismissed by the High Court of Gauhati (Shillong Bench). Subsequently, our Company filed a special leave petition (17380 – 17381/ 2014) before the Supreme Court of India against the aforementioned orders of the High Court of Gauhati (Shillong Bench). The Supreme Court of India, through its order dated August 19, 2014, has stayed the impugned orders until the pendency of these proceedings. The SLP was listed on 04.09.2017 and Hon'ble Supreme after hearing the parties and pursuing the OTS made by HUDCO has observed and directed that the offer made by the petitioner as laid before the Court is payment by the respondent of the amount of Rs. 382.42 lakhs due after making necessary adjustment along with interest thereon @ 9.00% p.a. from the date of award 14.07.2014. The respondent shall obtain necessary instructions. It appears from the order that inadvertently it could not be pointed out to the SC that the offer letter dated 31.07.2017 issued by HUDCO to the agency based on which the said order / decree dated 14.07.2014 passed by DRT and in fact not from the date of filing of OA i.e. 11.01.2010 before DRT. In this regard, an application has been filed by HUDCO seeking modification/ clarification in the Order dated 04.09.2017 and the matter is likely to be listed in 10.10.2017

In relation to this matter, North East India Trust for Education and Development has also filed a contempt case (26/2012) before the High Court of Gauhati (Shillong Bench), against V.P. Baligar, in his capacity as the then Chairman and Managing Director of our Company and Nalini Hazarika, in her capacity as the then Regional Chief of our Company's Guwahati Regional Office, alleging non-compliance of the order dated April 27, 2012. In light of the stay granted by the Supreme Court of India, the High Court of Gauhati, through its order dated January 27, 2015, directed that the contempt proceedings be listed after the disposal of

the special leave petition filed by our Company. The contempt petition is currently pending before the High Court of Guwahati. On 12.10.2017, The Hon'ble Supreme Court after hearing all the parties, passed the order for deposit of Rs. 4 crore by respondent (NEITED) to HUDCO within a period of 4 months in four equal instalments. This amount would be over and above of amount, that have been paid by the respondent. On the payment of Rs. 4 crore, the petitioner undertakes to withdraw the six proceedings pending against the respondent u/s 138 of NI Act, and the SLP has been disposed of. The contempt petition has been disposed of by the High Court of Meghalaya vide order dt. 29.11.2017.

2. The Centre for Public Interest Litigation filed a writ petition (573/2003) before the Supreme Court of India, against our Company and others, alleging arbitrariness in certain lending decisions made by our Company, including sanction of loan facilities amounting to Rs. 14,500 crore, release of Rs. 8,500 crore, subscription in privately placed debentures of Rs. 1,250 crore and write off of Rs. 550 crore in Fiscal Year 2003. The petitioners sought, among other reliefs, for an investigation by an independent investigative agency into the affairs of our Company. Pursuant to a vigilance audit conducted to this end, the Central Vigilance Commission submitted a report highlighting irregularities in certain lending decisions by our Company. Subsequently, our Company filed objections against this report before the Supreme Court of India. The Supreme Court of India by its order dated February 16, 2016, impleaded RBI as a respondent to this proceeding and directed it to file all available information with respect to debtors defaulting in excess of Rs. 500 crore to banks and financial institutions. Further, vide its order dated January 3, 2017, the Supreme Court of India directed the Union of India to file an affidavit, inter alia, stating (i) the steps the central government intends to adopt to enhance the infrastructure of Debt Recovery Tribunals and the Debt Recovery Appellate Tribunals in terms of physical infrastructure and judicial manpower required for the efficacious functioning of such tribunals; (ii) the specific plan of action to upgrade existing infrastructure so as to enable the implementation of the revised timelines for disposal of recovery cases, as introduced by recent legislative amendments; and (iii) the empirical data on pendency of cases for more than ten years and the list of corporate entities where the amount outstanding is in excess of Rs. 500 crore. This matter is currently pending.
3. The International Human Rights Association filed a writ petition (8254/2010) before the High Court of Patna, against the Union of India and others, including our Company, alleging irregularities in the award of a contract to Samadhan Seva Samiti, a non-governmental organisation for the construction of toilets for the urban poor and in the rural areas under the Integrated Low Cost Sanitation Scheme, a project appraised by our Company and consequent violation of Articles 14 and 16 of the Constitution of India. The matter is currently pending.
4. Pursuant to an original application (163/2012) filed by our Company before the Debts Recovery Tribunal, Jabalpur seeking recovery of Rs. 18.27 crore from Jindal Energy Generation Private Limited, the defendants filed a counter claim seeking an amount of Rs. 45.41 crore from the Company, in lieu of the alleged financial and business losses caused to them owing to certain acts and omissions of our Company. The defendants alleged that losses were caused by their failure to set up a power plant, which was rendered impossible owing to delay on part of our Company in disbursement of some loan amounts, along with failure to release the final disbursement of Rs. 2.99 crore. This matter is currently pending.
5. Our Company filed an original application (139/2014) before the Debts Recovery Tribunal, Mumbai seeking recovery of Rs. 31.74 crore from Ramnath Developers Private Limited and others. The tribunal, through its order dated September 21, 2015, had directed the respondent company to deposit Rs. 24.45 crore within one month from date of order. As the respondents failed to deposit the amount, an interim recovery certificate was issued and forwarded to the Recovery Officer for execution. Aggrieved by the order dated September 21, 2015, the respondent company has filed a review petition which is currently pending. Further, in its written statement cum counter claim, the respondent company sought, among others, an amount of Rs. 40 crore from our Company, as damages and wrongful loss sustained by them because of the actions of our Company.

Our Company also initiated proceedings under the SARFAESI Act, seeking to take possession of certain property put up as security by the respondent company, and issued a possession notice dated September 11, 2014 to this effect. The possession notice was challenged by the respondents before the Debts Recovery Tribunal, Nagpur. The tribunal, through its order dated March 8, 2016 set aside the impugned possession notice and directed our Company to restore the symbolic possession of the property to the borrower. Aggrieved by this order, our Company has preferred an appeal before the Debts Recovery Appellate Tribunal, Mumbai. These matters are currently pending.

6. Our Company filed an original application (09/2013) before the Debts Recovery Tribunal, Ranchi, seeking recovery of Rs. 44.52 crore from Prabhatam Buildwell Limited and others, our borrowers. Subsequently, Prabhatam Buildwell Limited filed a counter claim before the tribunal, seeking a compensation of Rs. 52.56 crore. Through its orders dated February 6, 2015 and April 1, 2015, the tribunal listed the matter for final hearing, without giving the respondents any opportunity to support the statements made in the counter claim by way of evidence on affidavit. Aggrieved by these orders, Prabhatam Buildwell Limited filed a writ petition (2035/15) before the High Court of Jharkhand, seeking that the impugned orders be quashed, that it be allowed to lead evidence before the tribunal and that pending hearing of the writ petition, further proceedings in the original application and counter claim be stayed. During the pendency of the writ petition, the tribunal, vide its order dated September 16, 2015, ruled favourably on the original application filed by our Company, passing appropriate directions pertaining to recovery of the default amount. Further, it also dismissed the counter claim filed by the respondents. No appeal has been preferred against the order dated September 16, 2015. However, the writ petition filed by the respondents is currently pending.
7. MS Shoes East Limited filed a declaratory suit (1026/06/1997) before the District and Sessions Judge, Delhi against the Municipal Corporation of Delhi and our Company, in relation to, inter alia, the cancelation of allotment of a plot of land to the

plaintiff by our Company. The plaintiff sought that the District and Sessions Judge, Delhi, by way of a mandatory injunction, issue directions to our Company to deliver the possession of suit property to the plaintiff and further restrain our Company from allotting the suit property to another party subsequently. MS Shoes East Limited restricted its prayer to seeking a declaration that the letter of cancellation issued by our Company in this regard is null and subsequently void. The Senior Civil Judge, Delhi, through its order dated July 3, 2010, ruled in the plaintiff's favour and invalidated the impugned actions of our Company. Aggrieved by this order, our Company filed an appeal dated August 17, 2010 before the District Judge, Patiala House, New Delhi. Through an order dated July 18, 2014, the Additional District Judge, Saket Courts, New Delhi dismissed the appeal filed by our Company, pursuant to which our Company filed a second appeal (362/2014) before the High Court of Delhi. Allowing the second appeal, the High Court of Delhi, through its order dated June 3, 2016, upheld the cancellation of the allotment of a plot of land to MS Shoes East Limited by our Company. MS Shoes East Limited, now known as Tomorrowland Technologies Exports Limited, filed a special leave petition (34338/ 2016) dated October 17, 2016 before the Supreme Court of India, challenging the aforesaid order dated June 3, 2016 of the High Court of Delhi. MS Shoes East Limited also sought interim relief from the Supreme Court of India, in the form of a stay on the operation of the impugned order dated June 3, 2016. The Supreme Court of India, pursuant to its order dated January 31, 2017, issued notice in the matter returnable within six weeks and also directed our Company to take the Board's instructions regarding refund of the forfeited amount to MS Shoes East Limited. This matter is currently pending.

8. MS Shoes East Limited filed a suit (2/1997) before the District and Sessions Judge, Delhi against our Company, alleging that our Company had wrongly terminated the allotment to the plaintiff of certain properties, including nine blocks of guest houses, shops and kitchen. The plaintiff sought among others that a decree of declaration be passed, declaring our Company's letter cancelling the aforesaid allotments be declared null and void and that our Company be restrained to invite tenders and to reallocate the suit properties. The case was subsequently transferred to the High court of Delhi (1551/2005), wherein MS Shoes East Limited, through an amended plaint, further sought, among others, that our Company be directed to specifically perform the agreement dated October 31, 1994 entered into by our Company and the plaintiff, in relation to the suit properties. Our Company also filed an application dated December 10, 2008 seeking rejection of the plaint. Subsequently, the High Court of Delhi referred the matter to mediation. The mediation proceedings having failed, the matter was referred back to the High Court of Delhi.

HUDCO moved an application for long term lease of the guest houses etc. The matter came up for hearing on 10.08.2016, however MSSEL offered to take back the entire amount paid by it to HUDCO with interest at such rate which may be deemed appropriate by the court. As per the direction of the High Court, HUDCO Board considered the MSSEL proposal (for refund of 1st instalment excluding earnest money and interest) and sent the proposal to MOUD for approval. After various meetings and letters between the parties, (HUDCO & MOUD), and after considering all the facts and submissions of all parties, the Hon'ble High Court has passed a final order/decreed dt.13.01.2017 in the present case for payment of 1st instalment of Rs.35,75,40,000/- to MSSEL alongwith 6% interest till date of payment. HUDCO to also refund the interest paid by MSSEL (Rs.98,91,594/-) on the delayed period of payment of 1st instalment (from 30.11.94 till 30.01.95). The decree is not executable till 30.06.2017. If amount is not paid on or before 31.12.2017, then 11% interest will be payable by HUDCO.

MSSEL filed Review Petitions in Delhi High Court for reviewing of the Final Order/Decree dt.13.01.2017 passed by High Court and praying other reliefs viz. grant of higher rate of interest etc. Vide Order dt. 14.11.2017, the Review Petition has been disposed of. Further, HUDCO has filed an application for recalling of the Final Order dt. 13.01.2017. The same is currently pending.

Further, MSSEL also filed Execution Petition No.61/2017 in High Court in terms of the Final Order/Decree dt.13.01.2017 passed by Delhi High Court for execution of the order. The same has been withdrawn by MS Shoes vide Order dt. 22.12.2017.

Service matters

1. Kulwant Singh filed a writ petition (16002/ 2006) before the High Court of Delhi, against our Company challenging his removal from service of our Company. The petition was transferred to the Central Administrative Tribunal, New Delhi which, pursuant to its order dated November 29, 2010, quashed the order of removal. The Central Administrative Tribunal, New Delhi further observed that Kulwant Singh would be eligible for all the consequential benefits including the payment of gratuity and encashment of leave, as well as payment of dues of full pay and allowances during the period wherein he was suspended from our Company, as such period would also be treated as him being on duty. The aforesaid dues were required to be paid to Kulwant Singh with 6% simple interest, within a period of two months from the date of receipt of the order. Subsequently, our Company filed a writ petition (756/2011) before the High Court of Delhi, challenging the order dated November 29, 2010 passed by the Central Administrative Tribunal, New Delhi.

Pursuant to a contempt petition filed by Kulwant Singh, the Central Administrative Tribunal also initiated contempt proceedings (305/2011) against the then Chairman and Managing Director of our Company for non-compliance of its order. The High Court of Delhi, pursuant to its order dated April 5, 2011, stayed the contempt proceedings till the writ petition was disposed of. These matters, namely the writ petition and the contempt petition, are currently pending.

2. S.K. Soneja filed a writ petition (19617/2006) before the High Court of Madras, challenging the appointment of nine officials to the post of chief and executive Directors of our Company. The petitioner filed another writ petition (19618/2006) before the High Court of Madras seeking that the court passes appropriate orders on his representation dated January 20, 2006, regarding

his promotion to the post of executive Director of our Company. Our Chairman and Managing Director is a party to both the aforementioned writ petitions. These matters are currently pending.

3. H.S. Gill filed a writ petition (4010/ 2006) before the High Court of Delhi against our Company, challenging the recruitment process with respect to the post of Executive Director (Projects)/ Chief (Projects) in 2006, the writ petition was subsequently transferred to Principal Bench, Central Administrative Tribunal. The tribunal, through its order dated February 1, 2011, dismissed the petition, subsequent to which, H.S. Gill filed another writ petition (3005/2011) before the High Court of Delhi, challenging the order of the Principal Bench, Central Administrative Tribunal. This matter is currently pending.
4. D.K. Shrivastava filed a criminal complaint dated November 16, 2009 before the Additional Chief Judicial Magistrate – Senior Division, Jaipur against K.L. Dhingra, the then Chairman and Managing Director of our Company and other officers of our Company, alleging misappropriation and non-payment of arrears payable to him, for certain period wherein he was suspended from our Company. Pursuant to the direction of Additional Chief Judicial Magistrate – Senior Division, Jaipur, a first information report (318/2009) was lodged at the Jyoti Nagar police station for offences under sections 120B, 218, 403, 406, 409, 467 and 468 of the Indian Penal Code. The Jyoti Nagar police station in its final report dated April 8, 2010, concluded that the matter was of a civil nature and no criminal offence was prima facie made out against the accused. Subsequently, a protest petition which was filed by the complainant challenging the findings of the Jyoti Nagar police station was dismissed by the Additional Chief Judicial Magistrate – Senior Division, Jaipur, through its order dated July 14, 2010. Aggrieved by this order, the complainant filed a revision petition (5/2011), which was dismissed by the Additional Sessions Judge, Jaipur City, through its order dated October 12, 2012. The complainant then preferred an appeal before the High Court of Rajasthan, which was subsequently dismissed by the court through its order dated September 12, 2013. Subsequently, the complainant filed a special leave petition (10113/2013) before the Supreme Court of India against the order dated September 12, 2013 and after admission has been made Appeal Criminal 184/2017. This matter is currently pending.
5. D.K. Shrivastava filed an original application (2659/2014) before the Central Administrative Tribunal, Principal Bench, New Delhi, challenging the charge sheet and the consequent dismissal order dated September 29, 2011 passed by our Company, dismissing him from the service. The matter is currently pending.
6. S.N. Parasuramegowda filed an original application (350/2014) before the Central Administrative Tribunal, Bangalore Bench, challenging our Company's refusal to accept him back into service, upon his having tendered a technical resignation from our Company. It was contended that the applicant had tendered his technical resignation in order to be able to join Rajiv Gandhi Rural Housing Corporation Limited ("RGRHCL") on deputation and absorption basis. However, upon completion of his term of deputation, RGRHCL relieved the applicant of his services, citing the end of his term and refused to absorb him into its fold. Through the application, S.N. Parasuramegowda sought that the Central Administrative Tribunal either direct RGRHCL to absorb the applicant in its services, or direct our Company to reinstate him, with continuity of service and all consequential benefits. However, citing lack of jurisdiction, the Central Administrative Tribunal did not rule on the relief sought by the applicant vis-à-vis RGRHCL. The Central Administrative Tribunal, through its order dated July 31, 2014, issued directions to our Company to take the applicant back on its rolls. Aggrieved by the aforesaid order, S.N. Parasuramegowda and our Company filed separate writ petitions before the High Court of Karnataka. Our Company (through writ petition no.55805/2014) has sought that the Central Administrative Tribunal's order dated July 31, 2014 be set aside. S.N. Parasuramegowda (through writ petition no. 43603/2014) has also challenged the aforementioned order, in so far as it pertains to RGRHCL. These writ petitions are currently pending.
7. Tripti Mishra Dixit filed an original application (O.A. No. 891/ 2013) before the Central Administrative Tribunal, Jabalpur, against the Union of India and others, including our Chairman and Managing Director, alleging certain discrepancies in her performance review – thereby affecting the effective date of her promotion to the post of Senior Law Officer. These discrepancies included review of her Annual Performance Appraisal Report ("APAR") by the ED (Operation) who did not have the authority to do so; and the uncommunicated downgrading in her APAR without any assigned reason. In light of these allegations, the applicant sought that the Central Administrative Tribunal direct her promotion to the post of Senior Law Officer with effect from July 1, 2008, with all consequential benefits including salary, arrears of pay and all other attendant benefits. The applicant further sought that any endorsement in Part IV of her APAR, by an officer not authorised to do so, be expunged/ ignored. This matter is currently pending.
8. Haider Ali Naqvie filed an original application (O.A. No.459/ 2014) before the Central Administrative Tribunal, Lucknow, against our Company and others, alleging that our Company downgraded his APARs for four years between 2008-2012, without affording him an opportunity to be heard or to submit a representation. It was further alleged that on account of such downgrading, he was not promoted to the post of Assistant General Manager (Law), along with other similarly situated/ junior employees. It was further alleged that our Company, vide its order dated April 2, 2014, decided on his representations in this regard in an unjust manner, disposing it off without conducting an actual review – thereby depriving him from promotion to the post of Assistant General Manager (Law). In light of these allegations, Haider Ali Naqvie sought, among others, that the impugned order dated April 2, 2014 be set aside; the aforesaid downgrading of his APARs be declared invalid and unconstitutional; and that our Company be directed to consider him for promotion to the post of Assistant General Manager (Law) with effect from July 1, 2012. This matter is currently pending.
9. Shri R.K. Singh filed an original application (OA No.2088/2017) before the Central Administrative Tribunal, Principal Bench, New Delhi challenging his transfer order dated 29th May, 2017 passed by our Company. The matter is currently pending.

10. Smt. Ruchi Sharma filed an original application (OA No.2089/2017) before the Central Administrative Tribunal, Principal Bench, New Delhi challenging her transfer order dated 22nd May, 2017 passed by our Company. The matter is currently pending.
11. Shri Guru Adhin filed an OA No. 648 in 2017 at CAT, Patna Bench, against the Union of India, eight others, and HUDCO, seeking relief for a direction to the respondent authorities to upgrade Pay Scale structures in respect of below Board level Executives and Non-Executives and also all consequential benefits w.e.f. 07.03.2002. The matter is currently pending.
12. Shri Guru Adhin filed an OA No. 47/797 of 2017 at CAT, Patna Bench against Union of India and Others seeking relief for a direction to the respondents for various issues i.e. grant of interest upon the corpus of the HUDCO Employees Pension Scheme from the period 1.1.2007, to implement the Welfare Scheme approved by the HUDCO Board in 2015, not to proceed with the recovery of LTC amount for the period 2008-09, to give retrospective effect of promotion for last 4 years and only then to determine scale/seniority so that salary/promotion prospects may not be adversely affected, not to proceed with the advertisement for fresh appointment of ED(Law) before holding DPC and to implement the scheme of Child Care Leave to women employees in its true letter and spirit as per the mandate of the Ministry. The matter is currently pending.
13. HUDCO has filed an SLP (C) in the Hon'ble Supreme Court of India challenging the Order dated 30.08.2017 passed by High Court of Guwahati in WP(C) No. 5170 of 2017 in the matter of HUDCO and Ors Vs. Sankar Medhi, regarding quashing the transfer order of one of its employees. The matter is currently pending.

Material developments post March 31, 2017

The following are the material developments of our Company after March 31, 2017, i.e. the date of the last audited financial statements of the Company:

1. **INITIAL PUBLIC OFFER (IPO):** Our Company had made an IPO of 20,40,58,747 Equity Shares for cash at a price of Rs.60 per Equity Share (including a premium of Rs.50 per Equity Share) aggregating to Rs.1,209.57 crores through a prospectus dated May 12, 2017. The said IPO comprised an offer for sale of 20,40,58,747 Equity Shares by our Promoter. Further, the said IPO comprised a net issue of 20,01,90,000 Equity Shares to the public and a reservation of 38,68,747 Equity Shares for subscription by certain eligible employees. The IPO opened on May 8, 2017 and closed on May 11, 2017. Allotment of Equity Shares and dispatch of refunds pursuant to the IPO of our Company was made on May 17, 2017 respectively. Trading at NSE and BSE in equity shares allotted in IPO commenced on May 19, 2017.
2. *Our Company has obtained refinance assistance of Rs. 500 crore each on 30.06.2017 and 31.08.2017, under Rural Housing Fund sanctioned by the NHB. The details of the borrowings are given below:*

Facility granted and loan documentation	Total amount obtained (in Rs. crores)	Total amount outstanding (in Rs. crores)	Rate of interest (% p.a.)	Security	Repayment date and schedule
Long term loan via memorandum of agreement dated February 5, 2009	500.00	500.00	4.86%	Bank Guarantee to the extent of 25% of the loan amount and negative lien on all properties, assets, receivables etc. of HUDCO both present and future, except those on which the first exclusive charge is created in favour of the trustees to the secured tax free bonds of Rs. 17,388.47 issued during FY 2011-12, 2012-13, 2013-14 and 2015-16.	Repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which the refinance was drawn.
Long term loan via memorandum of agreement dated February 5, 2009	500.00	500.00	4.86%		Repayable in a maximum of 60 equal quarterly installments starting with the quarter succeeding the one in which the refinance was drawn.

3. **Details of commercial paper (in the nature of Usance promissory notes) issued by HUDCO during FY 2017-18**

Nature of paper	Total value (Rs.crores)	Date of allotment	Total amount outstanding (in Rs. crores)	Interest/ yield rate (% p.a.)	Redemption terms
6.21% CP Series A 2017	500.00	April 13, 2017	0.00*	6.21	Repayable at the end 77 days from the dated of allotment i.e. on June 29, 2017
6.38% CP Series B	800.00	July 5, 2017	0.00*	6.38	Repayable at the end 54 days

Nature of paper	Total value (Rs.crores)	Date of allotment	Total amount outstanding (in Rs. crores)	Interest/ yield rate (% p.a.)	Redemption terms
2017					from the dated of allotment i.e. on August 28, 2017
6.11% CP Series C 2017	600.00	October 9, 2017	0.00*	6.11	Repayable at the end 50 days from the dated of allotment i.e. on November 28, 2017
6.11% CP Series D 2017	250.00	October 18, 2017	0.00*	6.11	Repayable at the end 43 days from the dated of allotment i.e. on November 30, 2017
6.26% CP Series E 2017	1400.00	November 8, 2017	0.00*	6.26	Repayable at the end 90 days from the dated of allotment i.e. on February 6, 2018
6.68% CP Series F 2017	800.00	November 17, 2017	800.00	6.68	Repayable at the end 180 days from the dated of allotment i.e. on May 16, 2018
6.78% CP Series G	1,000.00	December 7, 2017	1,000.00	6.78	Repayable at the end 175 days from the dated of allotment i.e. on May 31, 2018
7.10% CP Series H	700.00	January 16, 2018	700.00	7.10	Repayable at the end 90 days from the dated of allotment i.e. on April 16, 2018
6.42% CP Series I	825.00	January 23, 2018	825.00	6.42	Repayable at the end 59 days from the dated of allotment i.e. on March 23, 2018
*As on date, these commercial papers have been repaid by our Company					

4. Set forth below is a brief summary of the unsecured, non-convertible, redeemable taxable bonds issued by HUDCO after March 31, 2017:

Nature of Bond	Total value of bonds (Rs. in cr)	Date of Allotment	Amount outstanding, (Rs. in crores)	Interest /coupon rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment terms and schedule	Rating
7.05% taxable HBS 2017 Series A	400.00	July 14, 2017	400.00	7.05	3 Year & 1 Month	Bonds will mature at the end of 3 year & 1 Months from the date of allotment and shall be repayable on August 14, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.14% taxable HBS 2017 Series B	700.00	November 22, 2017	700.00	7.14	3 Year & 1 Month	Bonds will mature at the end of 3 year & 1 Months from the date of allotment and shall be repayable on December 22, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.06% taxable HBS 2017 Series C	205.00	December 11, 2017	205.00	7.06	1 Year & 6 months	Bonds will mature at the end of 1 year & 6 months from the date of allotment and shall be repayable on June 11, 2019	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.73% taxable HBS 2017 Series D	675.00	February 21, 2018	675.00	7.73	3 Year 1 Month and 25 days	Bonds will mature at the end of 3 years 1 month and 25 days from the date of allotment and shall be repayable on April	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’

7.64% taxable HBS 2017 Series E	715.00	March 12, 2018	715.00	7.64	1 Year 3 Months	15, 2021 Bonds will mature at the end of 1 Year 3 Months from the date of allotment and shall be repayable on June 12, 2019	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’
7.70% taxable HBS 2017 Series F	1500.00	March 19, 2018	1,500.00	7.70	2 Years	Bonds will mature at the end of 2 Years from the date of allotment and shall be repayable on March 19, 2020	ICRA-AAA, CARE-AAA and IRRPL-‘IND AAA’

XIII. TERM SHEET-HUDCO TAXABLE BONDS SERIES-G 2017

DETAILS OF THE INSTRUMENT	
Issuer	Housing and Urban Development Corporation Limited (HUDCO)
Type of Instrument	Unsecured, Redeemable, Non-Convertible, Non-cumulative, Taxable Bonds in the nature of debentures.
Nature of Instrument	Unsecured
Seniority	Senior Debt
Mode of Issue	Private Placement through EBP Platform
Eligible Investors	<ul style="list-style-type: none"> a. Indian Mutual Funds registered with SEBI; b. Public Financial Institutions as defined in section 2 (72) of the Companies Act, 2013; c. Scheduled Commercial Banks; d. State Industrial Development Corporations; e. Insurance Companies registered with the Insurance Regulatory and Development Authority; f. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorized to invest in the issue; g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; h. Insurance Funds set up and managed by army, navy or air force of the Union of India; i. Companies and Bodies Corporate authorized to invest in bonds/debentures; j. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/debentures; k. Societies authorized to invest in bonds/debentures; l. Trusts authorized to invest in bonds/debentures; m. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices and n. Statutory corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/debentures.
Non-Eligible class of investors	<p>This issue is not being offered to the following categories of investors any application from such investors will be deemed as invalid application and rejected:</p> <ul style="list-style-type: none"> a) Venture Capital Funds; b) Foreign Venture Capital investors registered with SEBI; c) Non-resident investors being an individual including NRIs, QFIs (individual) and FPIs(individual or family offices); d) Multilateral and Bilateral Development Financial Institutions; e) Minors; f) Overseas Corporate Bodies, g) Person ineligible to contract under applicable statutory/ regulatory requirements; h) Resident Individual Investors/ Hindu Undivided Families (through Karta); and i) Partnership firms.

Listing	The bonds are Proposed to be listed on BSE Limited Listing: The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment.	
Rating	India Ratings (Fitch Group)	'IND AAA' with Stable Outlook
	CARE Ratings	'CARE-AAA' (Stable)
	ICRA Ltd.	'[ICRA] AAA' (Stable)
Issue Size	Rs. 200 crore plus green shoe option to retain over subscription	
Option to retain oversubscription (Amount)	Rs. 260 crore (total issue size being Rs. 460 crore)	
Objects of Issue	The funds proposed to be raised through the Issue shall be utilized towards lending purposes, working capital requirements, augmenting the resource base of HUDCO and other operational requirements (including debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by the Company in the past and currently outstanding in its books of accounts, including loans and market borrowings).	
Details of utilization of the Proceeds	The funds proposed to be raised through the Issue shall be utilized towards lending purposes, working capital requirements, augmenting the resource base of our Company and other operational requirements (including debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by the Company in the past and currently outstanding in its books of accounts, including loans and market borrowings). Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfillment of the Objects of the Issue.	
Form of Issuance	Demat only	
Trading Mode	Demat only	
Settlement Mode	On the Redemption Date, redemption proceeds would be paid by way of RTGS/ Fund Transfer or any other electronic mode offered by the Issuer.	
Bond Series	HUDCO TAXABLE BONDS 2017 -Series G	
Security Name	7.68% P.A. HUDCO TAXABLE BONDS 2017 - SERIES G TENOR 3 YEARS 9 DAYS RED 5 APR 2021 DMT	
Face Value	Rs. 10,00,000 per Bond	
Interest rate (%) p.a.	7.68% p.a.	
Default Interest rate (%)	2% p.a. over the coupon rate will be payable by the Company for the defaulting period in case of default in payment of interest/redemption amount.	
Annualised yield (%) p.a.	7.68% p.a.	
Premium on issue	Nil	
Discount on issue	Nil	
Discount at which security is issued and the effective yield as a result of such discount	Nil	
Premium / Discount on redemption	Nil	
Issue Price	At par (Rs. 10,00,000 per Bond)	
Redemption Amount	At par (Rs. 10,00,000 per Bond)	
Minimum Application Size and in multiples of ____ Debt securities thereafter.	100 Bonds and in multiple of 10 Bonds thereafter	
No. of Applicants	N.A***	
Tenor	3 Years and 9 days from Deemed date of Allotment (i.e. Redemption on April 5, 2021)	
Put option date	NA	
Put option Price	NA	
Call option date	NA	
Call option Price	NA	
Put notification Time	NA	
Call notification Time	NA	
Redemption/Maturity	April 5, 2021 (i.e. 3 Years and 9 days from Deemed Date of Allotment)	
Redemption Date*	April 5, 2021	
Coupon Rate	7.68 % p.a.	
Coupon Type	Fixed	
Step up /Step down coupon rate	Nil	
Coupon Payment frequency	Annually	

Coupon Payment dates**	1st Interest payment date	27.03.2019
	Subsequent Interest payment date(s)	27.03.2020, 27.03.2021 and 05.04.2021
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	None	
Day count basis	Actual/Actual Interest rate will be computed on a 365 days-a-year basis on the principal outstanding on the Debentures. Where the coupon/ interest period (start date to end date) includes February 29, coupon / interest rate will be computed on 366 days-a-year basis, on the principal outstanding on the Debentures.	
Interest on application money	Interest at the respective coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment. Further, in case of delay in listing of the debt securities within prescribed time period from the Deemed Date of Allotment, the Company shall pay penal interest at the rate as mentioned in relevant regulations	
Interest Payment	<p>(i) The <u>first Interest Payment Date</u> shall be March 27, 2019 and the first interest will be payable from and including, the Deemed Date of Allotment (i.e. March 27, 2018) up to, but excluding the first Interest Payment Date (i.e. March 27, 2019).</p> <p>(ii) The <u>second Interest Payment Date</u> shall be March 27, 2020 and the second interest will be payable from and including, March 27, 2019, but excluding the relevant Interest Payment Date (i.e. March 27, 2020).</p> <p>(iii) The <u>third Interest Payment Date</u> shall be March 27, 2021 and the third interest will be payable from and including, March 27, 2020, but excluding the relevant Interest Payment Date (i.e. March 27, 2021).</p> <p>(ii) The <u>Fourth & final Interest Payment Date</u> shall be the respective Maturity Date (i.e. April 5, 2021) and the final interest will be payable from and including March 27, 2021 but excluding the relevant Maturity Date (April 5, 2021) and shall be paid on such Maturity Date (April 5, 2021) along with the redemption proceeds.</p>	
Deemed date of allotment	March 27, 2018	
Minimum subscription of debt security	As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.	
Issue Time Table Issue opening date* Issue closing date* Pay - in - dates*	27.03.2018 27.03.2018 27.03.2018 (The Company reserves the right to shift the Pay in Dates. The Company may at its sole discretion accept the subscription amount after the Pay in Date.)	
Record Date	15 (fifteen) calendar days prior to each coupon payment date/ Redemption Date. In case of Redemption of bonds/NCD's, the trading in the bonds/NCD's shall remain suspended between the record date and the date of redemption. In the event the record date falls on a Saturday, Sunday or holiday of depositories, the immediately succeeding working day or a date notified by company to the stock exchange(s) shall be considered as the record date.	
Working day(s) / Business Day(s) Convention	Working Day/Business day shall mean all days on which money market is functioning in Mumbai. However, for the purpose of credit of Demat A/c, working days on which NSDL/CDSL are open for business.	

Effect of Holiday	<p>If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day in line with SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016. However, the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the record date falls on a Saturday, Sunday or holiday of depositories, the immediately succeeding working day or a date notified by company to the stock exchange(s) shall be considered as the record date.</p>																	
Depository	NSDL & CDSL																	
Security	Unsecured																	
Mode of Subscription	<p>Applicants may make remittance of application money through either of following two modes:</p> <p>(i) Cheque(s)/ demand draft(s)/ bank funds transfer may be drawn in favour of “Housing and Urban Development Corporation Limited” and marked “A/c Payee Only” payable at par at any of the CBS branches of the Collecting Bankers to the Issue as per details given hereunder:</p> <table><tr><td>Name of Collecting Banker</td><td>State Bank of India</td></tr><tr><td>Credit into Current A/c No.</td><td>36129126568</td></tr></table> <p>(ii) Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:</p> <table><tr><td>Name of the Collecting Banker</td><td>State Bank of India</td></tr><tr><td>Account Name</td><td>HUDCO LTD PRIVATE PLACEMENT OF BONDS</td></tr><tr><td>Credit into Current A/c No.</td><td>36129126568</td></tr><tr><td>IFSC Code</td><td>SBIN0011777</td></tr><tr><td>Address of the Branch</td><td>New Issue Department, Capital Market Br.(11777), Videocon Heritage bldg, Charanjit Rai Marg, off D.N.Road, Fort, Mumbai-400001 Contact Details: 022 - 22094927 / 22094932 Fax: 22- 22094921</td></tr><tr><td>Narration</td><td>Application Money for Bond Issue</td></tr></table>		Name of Collecting Banker	State Bank of India	Credit into Current A/c No.	36129126568	Name of the Collecting Banker	State Bank of India	Account Name	HUDCO LTD PRIVATE PLACEMENT OF BONDS	Credit into Current A/c No.	36129126568	IFSC Code	SBIN0011777	Address of the Branch	New Issue Department, Capital Market Br.(11777), Videocon Heritage bldg, Charanjit Rai Marg, off D.N.Road, Fort, Mumbai-400001 Contact Details: 022 - 22094927 / 22094932 Fax: 22- 22094921	Narration	Application Money for Bond Issue
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Narration	Application Money for Bond Issue																	
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <p>a) Copy of letter of acceptance dated 25.05.2017 issued by the Debenture Trustee regarding his appointment as Trustees to the Bondholders.</p> <p>b) Letter of consent from SBI CAP Trustee Company Limited for acting as Trustees for and on behalf of the Holder(s) of the Bonds.</p> <p>c) Copy of application made to the BSE for grant of in-principle approval for listing of bonds -application being made</p> <p>d) Letter from BSE conveying its in-principle approval for listing on bonds-</p> <p>e) Letter from M/s. India Ratings and Research Private Limited (formerly Fitch Ratings India Private Ltd.), ICRA Limited and CARE Ratings Rating Agency for issue of Taxable bonds of HUDCO and the rating rationale pertaining thereto.</p> <p>f) Debenture Trusteeship Agreement;</p> <p>g) Tripartite Agreement between the Issuer, Registrar and NSDL for issue of bonds in dematerialized form.</p> <p>h) Tripartite Agreement between the Issuer, Registrar and CDSL for</p>																	

	issue of bonds in dematerialized form.
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"> 1. Rating letter(s) from the aforesaid rating agency(ies) not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Application to BSE for seeking its in-principle approval for listing of Bonds.
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"> 1. Ensuring that the payment made for subscription to the Bonds is from the bank account of the person/ entity subscribing to the Bonds and keep record of the bank accounts from where payments for subscriptions have been received and in case of subscription to the Bonds to be held by joint holders, monies are paid from the bank account of the person whose name appears first in the Application Form; 2. 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, National Capital Territory of Delhi & Haryana 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; 3. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42(9) of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi & Haryana within thirty days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014; 4. Credit of demat account(s) of the allottee(s) with number of Bonds allotted within 2 working days from the Deemed Date of Allotment; 5. Taking steps for listing of Bonds with BSE within 15 days from the Deemed Date of Allotment of Bonds; and 6. Executing the Debenture/Bond Trust Deed, in favour of the Trustee within sixty days of Deemed Date of Allotment of the Bonds and submit with BSE within five working days of execution of the same for uploading. <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>
Registrar & Transfer Agent	M/s Beetal Financial and Computer Services Pvt. Limited
Trustees	SBICAP Trustee Company Ltd.
Role & Responsibilities of Debenture Trustee	<p>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, Private Placement Offer Letter and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall protect the interest of the Bondholders in the event of default by HUDCO in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of HUDCO. No Bondholder shall be entitled to proceed directly against HUDCO unless the Trustees, having become so bound to proceed, fail to</p>

	do so.
Additional covenants	<ol style="list-style-type: none"> 1. In case of delay in execution of Trust deed and Charge documents, HUDCO will refund the subscription with agreed rate of interest or pay penal interest of 2% p.a. over the coupon rate till these conditions are complied with at the option of investor; 2. In case of default in payment of interest and/or principal redemption on the due dates, additional rate of interest of 2% p.a. over the coupon rate will be payable by HUDCO for the defaulting period; 3. Listing: The issuer shall complete all the formalities and seek listing permission within stipulated time. In case of delay in listing of the debt securities within prescribed time period from the Deemed Date of Allotment, the Company shall pay penal interest at the rate as mentioned in relevant regulations; 4. The Company shall allot the bonds within sixty days from the date of receipt of application money for such bonds and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest in accordance with provisions of Companies Act from the expiry of the sixtieth day; and 5. In case the Bonds issued to the SEBI registered FIIs / sub-accounts of FIIs/ FPIs are not listed within 15 days of issuance to the SEBI registered FIIs/ sub-accounts of FIIs/ FPIs, for any reason, then the FII/ sub-account of FII/ FPIs shall immediately dispose of the Bonds either by way of sale to a third party or to the Issuer and in case of failure to list the Bonds issued to SEBI registered FIIs/ sub-accounts of FIIs/FPIs within 15 days of issuance, the Issuer shall immediately redeem/ buyback such Bonds from the FIIs/ sub-accounts of FIIs/ FPIs.
Events of Default/Remedies	As mentioned in the Bond Trust Deed
Cross Default	N.A.
Governing law & jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between HUDCO and the Bondholder will be subject to the jurisdiction at Delhi
<p>HUDCO reserves its sole & absolute right to modify (pre-pone/postpone) the issue Opening/Closing/Pay-in date(s) and deemed date allotment without giving any reasons or prior notice. In such case, Investors/Arrangers shall be intimated about the revised time schedule by HUDCO. HUDCO also reserves the right to keep multiple Deemed Dates of Allotment at its sole & absolute discretion without any notice.</p> <p>* As per the SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013, if the redemption date falls on a holiday or Sunday, then such payment shall be made on the previous working date along with interest until but excluding the date of such payment.</p> <p>** As per SEBI Circular no. IR/IMD/DF-1/122/2016 dated November 11, 2016, if the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. Further, in case of a leap year, if February 29 falls during the tenor of the security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc.</p> <p>*** In view of National Housing Bank Notification No. NHB.HFC.NCD-DIR.1/CMD/2014 on issuance of non-convertible debentures on private placement basis dated March 19, 2014 (effective from April 1, 2014), as amended vide NHB Notification No. NHB.HFC.NDC-DIR/2/CMD/2015 dated March 13, 2015 Notification No. NHB.HFC.NDC-DIR.3/MD&CEO/2016 dated February 9, 2016, there shall be no limit on the number of investors/subscribers in respect of issuances with a minimum subscription of Rs. 1 crore and above. Moreover, the said directions shall not be applicable in case of 'Tax Exempt Bonds'.</p>	

XIV. TERMS OF OFER (DETAIL OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, STOCK EXCHANGES, WHERE SECURITIES ARE PROPOSED TO BE LISTED, REDEMPTION AMOUNT, PERIOD OF MATURITY, FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTORS)

Issue of Unsecured, Redeemable, Non-Convertible, Non-cumulative and Taxable Bonds in the nature of debentures, of face value of Rs. 10,00,000/- each aggregating to Rs. 200 crore plus green shoe option to retain over subscription upto Rs.260 crore (total issue size being Rs.460 crore) on private placement basis.

14.1 Principal Terms and Conditions of the Issue

The bonds will be subject to the terms of the Private Placement of the Bonds as stated in the Private Placement Offer Letter and as specified in the terms of bond issue pursuant to the resolution(s) passed by the Board of Directors in their meeting held on March 17, 2017 and September 28, 2017 in New Delhi, the relevant statutory guidelines and regulations for allotment and listing of securities issued from time to time by the Govt of India (GOI), SEBI, National Housing Bank (NHB) and the Stock Exchanges concerned.

14.2 Eligibility of HUDCO to come out with the issue

HUDCO, its Directors and authorized officers have not been prohibited from accessing the debt market under any order or directions passed by SEBI/any other Govt. Authority.

The broad terms and conditions governing the issue of bonds are as under:

a)	Tenure	The tenure of the bond shall be 3 Years 9 days
b)	Permanent Account No	It shall be mandatory for the subscribers to furnish their Permanent Account Number to the issuer.
c)	Rate of interest:	7.68 % p.a.

14.3 Authority for the Issue/Placement

The present issue of Bonds is being made pursuant to

- The resolution(s) passed by the Board of Directors in their meeting held on March 17, 2017 and September 28, 2017 and delegation provided thereunder;
- Special resolution passed by the shareholders of the Company in their Annual General meeting held on September 28, 2017 in pursuance to section 180(1)(c) of the Companies Act, 2013;
- Special resolution passed by the shareholders of the Company in their Annual General meeting held on September 28, 2017 in pursuance to section 42 of The Companies Act, 2013 read together with Companies (Prospectus and Allotment of Securities) Rules, 2014;
- Article 34 of the Article of Association of Housing and Urban Development Corporation Limited.

No further approvals are required from any Government authority for the private placement.

14.4 Object of the Issue

The funds proposed to be raised through the Issue shall be utilized towards lending purposes, working capital requirements, augmenting the resource base of our Company and other operational requirements (including debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by the Company in the past and currently outstanding in its books of accounts, including loans and market borrowings).

14.5 Utilization of the Issue proceeds

The funds proposed to be raised through the Issue shall be utilized towards lending purposes, working capital requirements, augmenting the resource base of our Company and other operational requirements (including debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by the Company in the past and currently outstanding in its books of accounts, including loans and market borrowings). Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfillment of the Objects of the Issue.

14.6 Minimum Subscription

In terms of the SEBI Debt Regulations, the issuer may decide the amount of minimum subscription which it seeks to raise by issue of Bonds and disclose the same in the Private Placement Offer Letter. The Issuer has decided not to stipulate any minimum subscription for the present Issue and therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

14.7 Put & Call Option

Neither the Bondholder(s) shall have right to exercise Put Option nor the Issuer shall have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the respective Redemption date.

14.8 Maximum Investors for the Issue

In view of National Housing Bank Notification No. NHB.HFC.NCD-DIR.1/CMD/2014 on issuance of non-convertible debentures on private placement basis dated March 19, 2014 (effective from April 1, 2014), as amended vide NHB Notification No. NHB.HFC.NDC-DIR/2/CMD/2015 dated March 13, 2015 and Notification No. NHB.HFC.NDC-

DIR.3/MD&CEO/2016 dated February 9, 2016, there shall be no limit on the number of investors/subscribers in respect of issuances with a minimum subscription of Rs. 1 crore and above.

14.9 Face Value, Issue Price, Effective Yield for Investor

Each Bond has a face value of Rs. 10,00,000 each. The Bonds are redeemable at par i.e. Rs. 10,00,000 each. Since there is no discount or premium on either issue price or redemption value of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the Bonds.

14.10 Nature of Bonds

The Bonds are Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of debentures. The bonds proposed to be issued are unsecured.

14.11 Terms of Payment

The full Issue Price of the Bonds applied for is to be paid alongwith the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s)/ RTGS for the full face value of the Bonds applied for.

Issue Price of the Bond	Minimum Application for	Amount Payable on Application per Bond
Rs.10,00,000	Rs. 10 Crore (i.e. 100 Bonds of Rs. 10,00,000/- each)	Full Issue Price i.e. Rs. 10,00,000 per bond

14.12 Deemed Date of Allotment

Deemed date of allotment will be as per the terms of allotment of the bond issue of each series. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. HUDCO reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date is changed (pre-poned/ postponed), the deemed Date of Allotment may also be changed (pre-poned/ postponed) by HUDCO at its sole and absolute discretion.

14.13 Letter(s) of allotment/Bond Certificate(s)/ Refund Order(s)/Issue of Letter(s) of allotment

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of all the statutory formalities, such credit in the account will be akin to a Bond Certificate.

14.14 Form

HUDCO will issue Bonds to the investors in dematerialized form only.

14.15 Depository Arrangements

The Company has appointed M/s Beetal Financial and Computer Services Pvt. Limited as Registrars & Transfer Agent for the present bond issue. The Company has made necessary depository arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for issue and holding of Bonds in dematerialized form.

Investors can hold the bonds only in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

14.16 Procedure for allotment of Bonds in Demat form

- Investor(s) should have / open a Beneficiary Account with any Depository Participant of NSDL or CDSL.
- Responsibility for correctness of investor's details like address, PAN etc. given in the Application Form vis-à-vis those with the investor's Depository Participant would rest with the investors. Investors should ensure that the names of the sole/all the applicants and the order in which they appear in the application form should be same as Registered with the Investor's Depository Participant.
- For allotment of Bonds in dematerialized form, the beneficiary account number and depository participants ID shall be specified in the relevant columns of the Application Form. In case the information is missing, the application may be rejected for being considered for allotment.
- If incomplete/incorrect Beneficiary Account details are given in the application form, which do not match with the details in the Depository System, the allotment of bonds shall be held in abeyance till such time satisfactory demat account details are provided by the Investor.
- The Bonds allotted to investor, would be directly credited to the Beneficiary Account as given in the application form after verification. Allotment advice/refund order (if any) would be sent directly to the applicant and the confirmation of the credit of the bonds to the investor's Depository Account will be provided to the investor by the investor's Depository Participant.

- f) Interest or other benefits with respect to the bonds held in dematerialized form would be paid to those bondholders whose names appear on the list of beneficial owners given by the Registrar & Transfer Agent to HUDCO as on the Record Date. In case, the complete details of beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, HUDCO shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to HUDCO. On receiving such intimation, HUDCO shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation. HUDCO is not liable to pay interest/any other payment of any kind on interest for the period for which the interest is held in abeyance.
- g) Investors may please note that the bonds in demat form can be traded only on the BSE Ltd. having electronic connectivity with NSDL or CDSL.

14.17 Fictitious applications

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the companies Act, 2013, which is reproduced below:

“Any person who-

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

Otherwise induced directly or indirectly company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the companies Act, 2013”.

14.18 Market Lot

The market lot will be one Bond (“Market Lot”). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

14.19 Minimum Application

Minimum application shall be as per the Term Sheet in this Private Placement Offer Letter.

14.20 Basis of Allocation/Allotment

The issuer will decide the allotment through book building route. The issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever.

14.21 Underwriting

The present Issue of Bonds on private placement basis has not been underwritten.

14.22 Trading of Bonds

The marketable lot for the purpose of trading of Bonds shall be ONE BOND. Trading of Bonds would be permitted in Demat mode only in standard denomination of Rs.10,00,000 and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be executed and reported on a recognized stock exchange having a nation-wide trading terminal or such other platform as may be specified by SEBI

14.23 Transferability of Bonds

The Bonds would be freely tradable on the Wholesale Debt Market segment of BSE Ltd. (BSE-WDM).

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/CDSL/Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his Depository Participant.

Transfer of Bonds to and from foreign investors, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with HUDCO.

Restrictions of transfer, if any, shall be governed by the Companies Act and other applicable act, rules, regulations and bye-laws.

14.24 Interest on Application money

Applicants will be paid interest at the coupon rate on their application money (subject to the deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable, from the date of credit of the Application money in HUDCO's account upto one day prior to the date of allotment on Actual/Actual day count convention (as per SEBI Regulations). Such interest would be paid on all valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid alongwith Refund orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money. Interest on application money will be sent to the investor by way of a warrant/ cheque/DD/ electronic transfer etc. Income Tax as applicable will be deducted at source at the time of payment of interest on application money. Those desirous of claiming exemption from tax are required to submit a tax exemption certificate/document as per prevailing tax laws in duplicate as applicable along with the application form. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

The interest cheque(s)/ demand draft(s) for interest on application money (alongwith Refund Orders/ECS/RTGS etc, in case of refund of application money, if any) shall be dispatched by the Company within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) alongwith the Refund Order(s), as the case may be, will be dispatched by Registered post/Speed Post/Courier/Ordinary post to the sole/first applicant, at the sole risk of the applicant.

14.25 Interest on the Bonds

The Bonds shall carry interest at the coupon rates as per term sheet on the outstanding principal amount of Bonds till final redemption.

- a. The first Interest Payment Date shall be March 27, 2019 and the first interest will be payable from and including, the Deemed Date of Allotment (i.e. March 27, 2018) up to, but excluding the first Interest Payment Date (i.e. March 27, 2019).
- b. The second Interest Payment Date shall be March 27, 2020 and the second interest will be payable from and including, March 27, 2019, but excluding the relevant Interest Payment Date (i.e. March 27, 2020).
- c. The third Interest Payment Date shall be March 27, 2021 and the third interest will be payable from and including, March 27, 2020, but excluding the relevant Interest Payment Date (i.e. March 27, 2021).
- d. The Fourth & final Interest Payment Date shall be the respective Maturity Date (i.e. April 5, 2021) and the final interest will be payable from and including March 27, 2021 but excluding the relevant Maturity Date (April 5, 2021) and shall be paid on such Maturity Date (April 5, 2021) along with the redemption proceeds

14.26 Computation of Interest

The interest payment shall be made on the date(s) as mentioned in the Term Sheet in this Private Placement Offer Letter. In case the date of allotment is different from interest payment date then the first interest payment shall be computed on actual number of days from the date of allotment (or) realization of funds whichever is later, to a date immediately preceding the interest payment date. Subsequently, interest payments will be made annually on the date(s) as mentioned in the Term Sheet in this Private Placement Offer Letter.

The last interest payment shall again be calculated on actual number of days i.e. from interest payment date to a day immediately preceding the redemption date. Actual/Actual day convention shall be followed (as per SEBI Regulations).

14.27 Payment of Principal on Redemption

On the redemption date, redemption proceeds would be paid by cheques/ Pay order/ electronic transfer etc. to those bondholders whose names appear on the list of beneficial owners given by the depository to HUDCO. These names would be as per the depository's record on the record date fixed by HUDCO for the purpose of redemption. These bonds will simultaneously cease to exist. It may be noted that in the entire process mentioned above, no action is required on the part of Bondholders.

Further, the Issuer will not be liable to pay interest, income or compensation of any kind from the date of such redemption of the Bonds.

In the case of joint-holders, redemption proceeds shall be paid to the one whose name stands first in the list of beneficial owners given by the depository to HUDCO.

The Bonds shall be taken as discharged on payment of the redemption amount by the Company. Such payment will be a legal discharge of the liability of the Company towards the Bondholders. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Bondholders with NSDL/CDSL will be debited.

The liability of the Company shall stand discharged on posting of redemption warrants by Registered Post and / or remitting the redemption proceeds through ECS / NEFT / RTGS to the above said Beneficiaries. No claim, damages or penal interest in respect of delayed payment, etc. shall lie upon the Company in the event of non-receipt of the same by the addressee Bondholder.

14.28 Effect of Holidays

The Interest and Redemption proceeds shall be payable on the fixed dates as indicated in the Term Sheet in this Private Placement Offer Letter. As per SEBI Guidelines, the Company recognizes the Actual/Actual day count convention, presently followed for dated Government Securities.

If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day in line with SEBI Circular No. CIR/IMD/DF-1/122/2016 dtd. November 11, 2016. However, the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. If the Redemption Date/ Maturity Date (also being the last Interest Payment Date) of any Series of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the record date falls on a Sunday or holiday of depositories, the immediately succeeding working day or a date notified by company to the stock exchange(s) shall be considered as the record date.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments.

INVESTORS SHOULD NOTE THAT THIS EXAMPLE IS SOLELY FOR ILLUSTRATIVE PURPOSES AND IS NOT SPECIFIC TO THE ISSUE.

HUDCO Taxable Bonds 2017 (Series G)

Face value of the Bonds	Rs. 10,00,000
Deemed Date of Allotment (assumed)	March 27, 2018 (Tuesday)
Coupon/Interest Payment with specified dates:	Annual
-First Interest payment date	March 27, 2019
-Subsequent Interest payment date	March 27, 2020, March 27, 2021 and April 5, 2021
Day Count Convention	Actual/Actual
Coupon Rate	7.68%
Tenor (no. of years)	3 Years 9 days
Aggregate Investment	Rs. 10,00,000
Redemption Date/Maturity Date	Monday, April 5, 2021

	Pay-out date (Interest/ principal)	No. of days in Interest period	Amount per Bond payable (in Rs.)
1 st Coupon/Interest Payment Date	Wednesday, March 27, 2019	365	76,800.00
2 nd Coupon/Interest Payment Date	Friday, March 27, 2020	366	76,800.00
3 rd Coupon/Interest Payment Date	Monday, March 29, 2021	365	76,800.00
4 th Coupon/Interest Payment Date	Monday, April 05, 2021	9	1,893.70
Redemption of Principal	Monday, April 05, 2021		1,000,000.00
Total Cash Flows		1105	1,232,293.70

Assumptions:

1. For the purposes of the above-mentioned illustrations, it has been assumed that only such dates that fall on second and fourth Saturday of every month have been considered as non-business day. Further, Sundays, have also been considered as non-Business day.
2. The Deemed Date of Allotment is assumed to be March 27, 2018.
3. The actual dates and the maturity amount will be in accordance to and in compliance with the provisions of SEBI circular No. CIR/IMD/DF-1/22/2016 dated November 11, 2016.

14.29 List of Beneficial Owners

The Issuer shall request the Depository to provide a list of beneficial owners as at the end of the Record date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

14.30 Interest in case of delay on Allotment/Dispatch

HUDCO agrees that as far as possible allotment of securities to the investors shall be made within 60 days of the closure of the issue. If the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest in accordance with provisions of Companies Act from the expiry of the sixtieth day.

14.31 Interest Payments and Mode of Payment

On the Interest payment date, interest will be paid by cheques/Pay orders/ Electronic transfer etc. to those bondholders whose names appear in the list of beneficial owners given by the depository to HUDCO. These names would be as per the depository's record on the record date as fixed by HUDCO for the purpose of interest payment.

In case of interest payment through cheque(s), the cheque will be issued to the Registered Bondholder before the due date for payment of interest every year. These cheque(s) will be valid for a period of three months from the date of cheque. In the event of its non-encashment within this period, HUDCO shall revalidate said cheques on receipt of request from registered bondholders, Cheques/Demand draft/Pay order if any, shall be dispatched by Registered/Speed Post/Courier.

14.32 Payment on exercise of Put / Call Option

The right to exercise put or call option shall be as per the terms of the bond issue of a particular series. Where the terms of the bond issue of particular series has put option, the Bondholder shall have the right to "Put" the Bonds i.e. get them redeemed on completion of the number of years / months as specified in the terms of the bond issue from the deemed date of allotment. For availing of this facility, the Bondholder shall forward the request in writing to HUDCO not less than 15 days (both dates exclusive) prior to the due date for redemption. Where the terms of the Bond issue of a particular series has call option, HUDCO shall have the right to "Call" the entire amount of Bonds or part thereof as decided by HUDCO on completion of the number of years/months as specified in the terms of the bond issue for each series from the deemed date of allotment. For availing this facility, HUDCO shall notify its intention to do so through a public notice at least in one all India English and in one all India Hindi daily newspapers at least 1 (one) month before the due date. In case, HUDCO exercises the "Call" option or the investor exercises the "Put" option, the interest on Bonds shall cease on the expiry of specified number of years/months after the deemed date of allotment. However, In the present Bond Issue, neither the Bondholder(s) shall have right to exercise Put Option nor the Issuer shall have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the respective Redemption date.

14.33 Record Date

The Record Date for all interest payments and for the repayment of the face value amount upon redemption of the Bonds shall be 15 (fifteen) calendar days prior to each coupon payment date/Redemption Date as the case may be. Interest payment/repayment will be made to the bondholders as appearing on the record date. Interest will be paid as mentioned under the head 'Interest Payment Dates' under Term Sheet in this Private Placement Offer Letter. In case of bonds carrying call/ put options, the Record Date for exercise of such option shall be 15 calendar days prior to the early redemption date.

In case of Redemption of bonds/ NCD's, the trading in the bonds/ NCD's shall remain suspended between the record date and the date of redemption. In the event the record date falls on a Saturday, Sunday or holiday of depositories, the immediately succeeding working day or a date notified by company to the stock exchange(s) shall be considered as the record date.

14.34 Rights of Bondholders

The Bondholders will not be entitled to any other rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of HUDCO. The principal amount and interest on Bonds will be paid to the registered bondholders only, and in the case of joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the Companies Act, 2013 and the relevant rules and regulations, the Articles of Association of HUDCO, the terms and conditions incorporated in Term Sheet of this Private Placement Offer Letter, Depository Rules, SEBI guidelines, clarification issued by National Housing Bank in respect of private placement of debt issues and other documents that may be executed in respect of the bonds.

14.35 Deduction of Tax at Source

Tax as applicable under the IT Act, or any other statutory modification or re-enactment thereof will be deducted at source. The investor(s) desirous of claiming exemption from deduction of income tax at source on the interest on Application money are required to submit the necessary certificate(s), in duplicate, along with the Application Form in terms of Income Tax rules. Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, at the head office of HUDCO, at least 45 days before the payment becoming due. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

14.36.1 Who can apply for Bonds

The following categories of investors are eligible to apply for this issue of Bonds. However, the prospective subscribers must make their independent evaluation and judgement regarding their eligibility to invest in the Issue.

- a. Indian Mutual Funds registered with SEBI;
- b. Public Financial Institutions as defined in section 2 (72) of the Companies Act, 2013;

- c. Scheduled Commercial Banks;
- d. State Industrial Development Corporations;
- e. Insurance Companies registered with the Insurance Regulatory and Development Authority;
- f. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorized to invest in the issue;
- g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- h. Insurance Funds set up and managed by army, navy or air force of the Union of India;
- i. Companies and Bodies Corporate authorized to invest in bonds/debentures;
- j. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/debentures;
- k. Societies authorized to invest in bonds/debentures;
- l. Trusts authorized to invest in bonds/debentures;
- m. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices);
- n. Statutory corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/debentures.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time. Companies may refer to Section 186 of the Companies Act, 2013 in respect of inter corporate loans and investments before investing in the Issue

14.36.2 Who are not eligible to apply for Bonds

This issue is not being offered to the following categories of investors any application from such investors will be deemed as invalid application and rejected:

- a) Venture Capital Funds;
- b) Foreign Venture Capital investors registered with SEBI;
- c) Non-resident investors being an individual including NRIs, QFIs (individual) and FPIs (individual or family offices);
- d) Multilateral and Bilateral Development Financial Institutions;
- e) Minors;
- f) Overseas Corporate Bodies,
- g) Person ineligible to contract under applicable statutory/ regulatory requirements;
- h) Resident Individual Investors/ Hindu Undivided Families (through Karta); and
- i) Partnership firms.

14.36.3 Investors should check about their eligibility before making any investment

The application must be accompanied by certified true copies of:

- (1) Memorandum and Articles of Association/constitution/ Bye-laws;
- (2) Board resolution authorizing investment and containing operating instructions;
- (3) Power of attorney/relevant resolution/authority to make application;
- (4) Attested specimen signatures of authorized signatories (ink signed) duly certified by appropriate authority and (5) Government notification (in case of Primary Co-operative Bank and RRBs);
- (6) Copy of Permanent Account Number ("PAN Card") issued by the Income Tax Department;
- (7) Copy of a cancelled cheque for ECS payments; and
- (8) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.
- (9) The applicant must give the demat account details, bank account details, PAN number and other necessary documents for verification of address details.

14.36.4 KYC Documentation Checklist

Sl. No.	Categories of depositors/ Bondholders	Identification documents required.
1.	Companies - Name of the company - Principal place of business - Mailing address of the company - Telephone/Fax Number - Email Address	(i) Certificate of incorporation (ii) Memorandum & Articles of Association (iii) Resolution from the Board of Directors and Power of Attorney granted to its managers, officers or employees to transact business on its behalf (iv) an officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf . (v) Copy of the telephone bill; (vi) specimen signature of authorised person.
2.	Trusts & Foundations - Names of trustees, settlers, beneficiaries and signatories - Names and addresses of the founder, the managers/directors and the beneficiaries	(i) Certificate of registration, if registered (ii) trust deed (iii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/managers/ directors and their addresses (iv) Resolution of the managing body of the foundation / association. (v) Telephone Bill; (vi) such other documents evidencing registration thereof

	- Telephone/fax numbers - Email Address	under applicable statutory/regulatory requirements.
3.	Unincorporated association or a body of individuals - Email Address	(i) resolution of the managing body of such association or body of individuals (ii) power of attorney granted to him to transact on his behalf (iii) an officially valid document in respect of the person holding an attorney to transact on his behalf (iv) and such other information as may be required by HFC to collectively establish the legal existence of such as association or body of individuals.

Investor must also confirm that the amount invested in bonds is through legitimate source and does not involve directly or indirectly any proceeds of schedule of offence and/or is not designed for the purpose of any contravention of evasion of the provisions of the Prevention of Money Laundering Act 2002 and any rules, Regulations, Notifications, Guidelines or directions there under as amended from time to time

14.36.5 APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

a) Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity. Such investment limit may be extended to 20.00% of the NAV of the scheme with the prior approval of the Board of trustees and the Board of Asset Management Company.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Applications Forms by a mutual fund registered with SEBI for Allotment of the Bonds in physical form must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorizing investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefore.

b) Application by Scheduled Commercial Banks

Scheduled Commercial Banks can apply in this Issue based upon their own investment limits and approvals. Applications by them for Allotment of the Bonds in physical form must be accompanied by certified true copies of (i) a board resolution authorizing investments; and (ii) a letter of authorization. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

c) Application by Insurance Companies registered with the IRDA

In case of Applications for Allotment of the Bonds in physical form made by an insurance company registered with the IRDA, a certified copy of its certificate of registration issued by IRDA must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) its Memorandum and Articles of Association; (ii) a power of attorney (iii) a resolution authorizing investment and containing operating instructions; and (iv) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefore.

d) Applications by Alternative Investments Funds

Applications made by an Alternative Investments Fund eligible to invest in accordance with the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012, for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) the SEBI registration certificate of such Alternative Investment Fund; (i) a resolution authorizing the investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in whole or in part, in either case, without assigning any reason thereof. Alternative Investment Funds applying for Allotment of the Bonds shall at all time comply with the conditions for categories as per their SEBI registration certificate and the Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012.

e) Applications by Public Financial Institutions authorized to invest in the Bonds

Applications by Public Financial Institutions for Allotment of the Bonds in physical form must be accompanied by certified true copies of (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorizing investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason thereof.

f) Applications made by companies, Limited Liability Partnerships and bodies corporate registered under applicable laws in India

Applications made by companies, Limited Liability Partnerships and bodies corporate for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorizing investments; and (iii) specimen signature of authorized persons of such Applicant. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason thereof.

g) Applications under a power of attorney

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. Failing this, our Company, in consultation with the Lead Manager, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

h) Applications by provident funds and pension funds which are authorized to invest in the Bonds

Applications by provident funds and pension funds which are authorized to invest in the Bonds, for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (iii) a board resolution authorizing investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason thereof.

i) Applications by National Investment Fund

Application made by National Invest Fund for Allotment of the Bonds in physical form must be accompanied by certified true copies of: (i) a resolution authorizing investment and containing operating instructions; and (ii) specimen signatures of authorized persons. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Bonds in physical form in whole or in part, in either case, without assigning any reason therefor.

j) Application by Commercial Banks, co-operative banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based upon their own investment limits and approvals. The application must be accompanied by certified true copies of (i) Board resolutions authorizing investments; and (ii) letters of authorization. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

k) Applications by Trusts

Applications made by a trust, settled under the Indian Trusts Act, 1882, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must be accompanied by a (i) certified true copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof; and (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefore.

Further, any trusts applying for Bonds must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in bonds, (b) they have obtained all necessary approvals, consents or other authorizations, which may be required under applicable statutory and/or regulatory requirements to invest in bonds, and (c) applications made by them do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable statutory and or regulatory provisions.

14.36.6 How to apply

This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, accompanied by the application money by way of demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. The Application money can also be paid electronically through RTGS into the designated bank account under advance intimation of the same to the HUDCO or to the concerned/respective Arranger to the issue. The original Applications Forms (along with all necessary documents as detailed in this Private Placement Offer Letter), pay-in slip and other necessary documents should be sent to the Registered Office of the Issuer on the same day.

Demand draft(s) drawn on bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/ postal orders will also not be accepted. Investors in centres, which do not have any bank, including a co-operative bank, which is a member or sub member of the bankers clearing house located at the specified centres would be required to make payment only through demand draft payable at any one of the specified centres. The Issuer assumes no responsibility for any applications/ cheques/ demand drafts lost in mail. All demand drafts should be in favour of "Housing and Urban Development Corporation Limited" and crossed "Account Payee only". The entire amount of issue price per Bond is payable on application.

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1971. As per the provision of Section 139A (5A) of the Income Tax Act, PAN No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN No. Application Forms without this information will be considered incomplete and are liable to be rejected.

Unless the Issuer specifically agrees in writing with or without such terms or conditions it deems fit, a separate single demand draft must accompany each Application Form. Applicants are requested to write their names and Application Form serial number on the reverse of the instruments by which the payments are made.

All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/Private/Religious/Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments.

It is to be distinctly noted that in pursuance of sub clause (d) of clause (2) of Rule 14 of Companies (Prospectus and Allotment of securities) Rules, 2014, remittance of Application money for subscription to the Bonds shall be made only from bank account of the person/entity subscribing to the Bonds. In case of monies payable on subscription to the Bonds to be held by joint holders, the remittance of Application Money shall be made from the bank account of the person whose name appears first in the Application Form. In pursuance of the said provisions, the Applicants are required to submit a self-attested copy of their bank account statement reflecting debit for the application money. Such bank account statement must contain the name of Applicants, Account number, Name and Branch of the bank.

14.36.7 Acceptance / Rejection of Applications

The Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money.

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of bonds applied for is less than the minimum application size;
- b. Applications exceeding the issue size;
- c. Bank account details not given;
- d. Details for issue of bonds in electronic/ dematerialized form not given; PAN/GIR and IT Circle/Ward/District not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted.

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

14.37 Force Majeure

HUDCO reserves the right to withdraw the Issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. In such an event, the issuer will refund the application money, if any, along with interest payable on such application money, if any.

14.38 PAN Number

Every applicant should mention his Permanent Account Number (PAN) allotted under Income Tax Act, 1961.

14.39 Nomination Facility

As per Section 72 of the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds/ shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

14.40 Debenture Redemption Reserve (DRR)

The Company being a financial institution within the meaning of clause (72) of section 2 of the Companies Act, 2013, DRR will be as applicable to NBFCs registered with the RBI. For NBFC's registered with RBI under Section 45-IA of the RBI (Amendment) Act, 1997, the adequacy of the DRR will be 25% of the value of debentures issued through public issue as per present SEBI (Issue & Listing of Debt Securities) Regulation 2008, and no DRR is required in case of privately placed debentures. Therefore, creation of DRR is not envisaged against the Bonds being issued under the terms of this Private Placement Offer Letter.

14.41 Future Borrowings

Our Company shall be entitled at any time in the future during the term of the Bonds or thereafter to borrow or raise loans or create encumbrances or avail of financial assistance in any form, and also to issue promissory notes or bonds or any other securities in any form, manner, ranking and denomination whatsoever and to any eligible persons whatsoever and to change its capital structure including through the issue of shares of any class, on such terms and conditions as our Company may deem appropriate, without requiring the consent of, or intimation to, the Bondholders or the Debenture Trustee in this connection, subject to the Company maintaining 100% security cover on the amount outstanding throughout the tenure of such future secure Bonds.

14.42 Notices

The notices to the Bondholder(s) required to be given by HUDCO shall be deemed to have been given if sent by courier/ordinary post to the original sole/first holder of the Bonds or if an advertisement is given in a leading newspaper/or on the website of HUDCO.

All notices to be given by the Bondholder(s) shall be sent by registered post or by hand delivery to HUDCO or to such persons at such address as may be notified by HUDCO from time to time.

14.43 Tax Benefits to the Bondholders of HUDCO

The holder(s) of the Bonds are advised to consider in their own case, the tax implications in respect of subscription to the Bonds after consulting their own tax advisor/ counsel.

14.44 Register of Bondholders

The Register of Bondholders containing necessary particulars will be maintained by HUDCO, at such a place, as it may decide.

14.45 Issue of duplicate interest warrant(s)

If any, Interest Warrant(s) is lost, stolen or destroyed, then upon production of proof thereof, to the satisfaction of HUDCO and upon furnishing such indemnity & affidavit, as HUDCO may deem adequate, new interest warrants shall be issued. No interest would be payable for the delay on interest received in such a case.

14.46 Right to Purchase/ Reissue the Bond(s)

HUDCO may purchase the bonds in the open market, through market makers or otherwise. Such bonds may be cancelled, held, resold or reissued. Where HUDCO purchases bonds, HUDCO shall have and shall be deemed always to have the right to keep such bonds alive for the purpose of resale or reissue and in exercising such right, HUDCO shall have and deemed always to have the power to resell or reissue the same bonds or by issuing other bonds in lieu thereof.

14.47 Postage of Instruments

Refund Order(s)/Interest cheque(s)/Redemption Cheque(s), as the case may be will be sent by registered post/courier/speed post at the risk of the applicant, to the sole/first applicant. HUDCO shall not be responsible for any kind of postal delay.

14.48 Servicing Behavior

The payment of interest & repayment of principal is being done in a timely manner on the respective due dates.

14.49 Declaration regarding Non-default

HUDCO has not defaulted in payment of interest or principal redemption proceeds in any of the past bond servicing of HUDCO. HUDCO has not defaulted in refund of application money in case of non-allotment of bonds.

14.50 Undertakings from the Issuer

HUDCO hereby undertakes that

- The complaints in respect of the issue would be attended to expeditiously and satisfactorily.
- HUDCO would take necessary steps for completion of the necessary formalities for listing & commencement of trading at stock exchange where the securities are to be listed.
- HUDCO shall ensure dispatch of refund orders by registered post, at the sole risk of the applicant and adequate funds for the purpose shall be made available.
- HUDCO shall co-operate with the rating agencies in providing true and adequate information.
- The funds to be raised through the private placement are to augment long-term resources of HUDCO and not for a specific project. Hence, no monitoring agency is required to be appointed.
- Name & address of the bonds/debenture trustee is disclosed in this Private Placement Offer Letter and HUDCO shall also disclose the same in the Annual Report.
- HUDCO shall provide a compliance certificate to the bonds/debenture trustee in respect of compliance with the terms and conditions of issue of bonds as contained in this Private Placement Offer Letter.

14.51 Additional Covenants

- In case of delay in execution of Trust deed and Charge documents, HUDCO will refund the subscription with agreed rate of interest or pay penal interest of 2% p.a. over the coupon rate till these conditions are complied with at the option of investor.
- In case of default in payment of interest and/or principal redemption on the due dates, additional rate of interest of 2% p.a. over the coupon rate will be payable by HUDCO for the defaulting period.
- Listing: The issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed date of allotment. In case of delay in listing of the debt securities within prescribed time period from the Deemed Date of Allotment, the Company shall pay penal interest at the rate as mentioned in relevant regulations.

14.52 Obligations of Bondholders

Every investor in the Bonds, including any initial investor as well as any subsequent purchaser, shall be deemed to have:

- (a)
 - (1) Sufficient knowledge, experience and expertise to make the investment in the Bonds;
 - (2) not relied on the Company or any of the Arrangers to the Issue for any specific or additional information, advice or recommendations as to the Bonds, other than the information set forth in this Private Placement Offer Letter;
 - (3) understood that information contained in this Private Placement Offer Letter, or any other document issued by the Company is not to be construed as business, investment, tax or legal advice; and
 - (4) made an independent evaluation and judgment of all risks and merits before investing in the Bonds.
- (b) the legal ability to invest in the Bonds, and to have ensured that the investment does not contravene any provision of any applicable law or regulation, or any contractual restriction, obligation or undertaking binding on or affecting the Bondholder, or its assets;
- (c) reviewed and understood the risks pertaining to and the terms and conditions applicable to the Bonds as contained in this Private Placement Offer Letter and the Application Form attached herein, and on an independent assessment thereof, determined that the Bonds are a suitable investment and that the Bondholder can bear the economic risk of that investment;
- (d) understood that returns on the Bonds may be lower than prevalent market interest rates (including any amounts payable on maturity, redemption, sale or disposal of the Bonds), and that the Bondholder may receive no income, or less income than the Bondholder may have expected, or obtained by investing elsewhere or in similar investments;
- (e) understood that in the event that the Bondholder suffers adverse consequences or loss, the Bondholder shall be solely responsible for the same and the Company shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Bondholder including but not limited to on the basis of any claim that no adequate disclosure regarding the risks involved were made or that the full risks involved were not explained or understood.

14.53 Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a special resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution which modifies or varies the terms and conditions of the Bonds shall be operative against the Company, if the same are not accepted by the Company, in writing.

14.54 Disputes & Governing Law

The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between HUDCO and the Bondholder will be subject to the jurisdiction at New Delhi.

14.55 Investor Relations and Grievance Redressal

M/s Beetal Financial and Computer Services Pvt. Limited has been appointed as Registrar to the issue to ensure that investor grievances are handled expeditiously and satisfactorily. Further all grievances related to the issue quoting the Application Number (including prefix), number of bonds applied for, amount paid on application and Bank and Branch/HUDCO collection centre where the Application was submitted, may be addressed to the Resource Mobilization department, at the HUDCO Head office. All investors are hereby informed that the company has appointed a Compliance Officer who may be contracted in case of any problem related to this issue.

14.56 UNDERTAKING REGARDING COMMON FORM OF TRANSFER

Transfer of Bonds in Dematerialized form would be in accordance with the rules/procedures as prescribed by Depositories Act, 1996. However, the necessary transfers will be affected by the Depository, NSDL/CDSL. The concerned depository shall inform the Registrar about the rightful owners of the bonds for payment of interest and principal amount.

14.57 MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

HUDCO hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/continue to invest in the debt securities of HUDCO.

14.58 PERMISSION/CONSENT FROM PRIOR CREDITORS

The Corporation hereby confirms that it is entitled to raise money through current issue of Bonds without the consent/permission/approval from the Bondholders/Trustees/Lenders/other Creditors of HUDCO.

14.59 TRUSTEES TO THE BONDHOLDERS

The Company has appointed SBI CAP Trustee Company Limited to act as Trustees for the Bondholders (hereinafter referred to as "The Trustees").

HUDCO and the Trustees will enter into a Trustee Agreement specifying inter alia, the powers, authorities and obligations of the Trustees and HUDCO.

All the rights and remedies of the bondholders shall vest in and shall be exercised by the Trustees without reference to the bondholders. Any payment made by HUDCO to the trustees on behalf of the bondholders shall discharge HUDCO pro tanto to the bondholders. No bondholder shall be entitled to proceed directly against HUDCO unless the Trustees, having become bound to proceed, fail to do so.

Retirement and Removal of Trustees

The Trustees declare that they shall not revoke the Trust hereby declared till the Bonds are paid off in full, retire or resign from their office as Trustees without assigning any reason whatsoever and without obtaining the previous consent of a Resolution of at least three-fourth in value of the Holders of such Bonds outstanding at that time, and thereupon the power to nominate the new Bond Trustees shall be vested in the Holders for the time being of the said Bonds and the Trustees shall execute and cause to be registered such Deed of Appointment of New Trustees on the same terms and conditions and with the same trust, power and authorities as are stipulated herein.

14.60 CREDIT RATING

1) India Ratings and Research Private Limited (Fitch Group)-"IRRPL"

IRRPL has assigned a rating of 'IND AAA' with stable outlook to the long-term bonds issued by us, long term bank facilities availed by us and to our public deposit scheme vide letter dated 23.06.2017.

Further, for the Issue India Ratings and Research Private Limited (Fitch Group) has assigned a rating of 'IND AAA' to the Bonds vide letter dated 23.03.2018.

2) ICRA

ICRA Rating has assigned a rating of '[ICRA] AAA' (Stable) to the long-term bonds vide letter dated 27.06.2017. '[ICRA] AAA' (Stable) is defined by ICRA as rating for instruments having highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk.

For the Issue, ICRA has assigned a rating of '[ICRA] AAA' (Stable) to the Bonds vide letter dated 23.03.2018, Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

3) CARE

CARE has assigned a rating of 'CARE AAA' / Stable to the long-term bonds vide letter dated 21.06.2017. 'CARE AAA' is defined by CARE as rating for instruments having highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk.

CARE has assigned a rating of 'CARE A1+' to the short-term debt programme and the short-term bank facilities availed by us. 'CARE A1+' is defined by CARE as rating for instruments having very strong degree of safety regarding timely payment of financial obligations and carrying a very low credit risk.

For the Issue, CARE has assigned a rating of 'CARE AAA' (Stable) to the Bonds vide letter dated 23.03.2018, Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Credit Rating (Previous Three years and current financial year)				
Sl. No.	Financial Year	Ratings Assigned		
		IRRPL	ICRA	CARE
1.	2017-2018	AAA	AAA	AAA
2.	2016-2017	AAA	AAA	AAA
3.	2015-2016	AAA	AAA	AAA
4.	2014-2015	AA+	AA+	AA+

14.61 STOCK EXCHANGE WHERE SECURITIES ARE PROPOSED TO BE LISTED

The Unsecured, Redeemable, Non-Convertible, Non-Cumulative Taxable Bonds 2017 in the nature of debentures are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the **BSE Ltd. ("BSE")**.

In pursuance of SEBI Debt Regulations, HUDCO shall make an listing application to BSE to list the Bonds to be issued and allotted under this Private Placement Offer Letter and complete all the formalities relating to listing of the Bonds within stipulated time (as per applicable law) from the date of closure of the Issue

In connection with listing of Bonds with BSE, HUDCO hereby undertakes that:

- It shall comply with conditions of listing of Bonds as may be specified in the Listing Agreement with BSE.
- Ratings obtained by HUDCO shall be periodically reviewed by the Credit rating agencies and any revision in the rating shall be promptly disclosed by HUDCO.
- Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as BSE may determine from time to time.
- HUDCO, the Trustees and BSE shall disseminate all information and reports on Bonds including compliance reports filed by HUDCO and the Trustees regarding the Bonds to the holder(s) of Bonds and the general public by placing them on their websites.
- Trustees shall disclose the information to the holder(s) of the Bonds and the general public by issuing a press release in any of the following events:
 - default by HUDCO to pay interest on Bonds or redemption amount; and
 - revision of rating assigned to the Bonds;
- The information referred to in para (e) above shall also be placed on the websites of the Trustees, HUDCO and BSE.

XV. MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material contracts & Agreement involving financial Obligation of the Issuer

By very nature of its business, HUDCO is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of HUDCO. Copies of these contracts together with the copies of documents referred to below may be inspected at the Head office of HUDCO between 9.30 am and 12.30 pm on any working day (Monday to Friday) until the issue closing date.

Material Contracts and Documents

- Memorandum and Articles of Association of the HUDCO, as amended to date
- Copy of Board Resolution dated 17.03.2017 and 28.09.2017 authorizing issue of bonds offered under terms of this Private Placement Offer Letter.
- Copy of Special resolution passed by the shareholders of the Company in their Annual General meeting held on 28.09.2017 in pursuance to section 180(1)(c) of the Companies Act, 2013.
- Copy of Special resolution passed by the shareholders of the Company in their Annual General meeting held on 28.09.2017 in pursuance to section 42 of The Companies Act, 2013 read together with Companies (Prospectus and Allotment of Securities) Rules, 2014.
- Copy of letter of acceptance issued by the Debenture Trustee regarding his appointment as Trustees to the Bondholders.
- Letter of consent from SBI CAP Trustee Company Limited for acting as Trustees for and on behalf of the Holder(s) of the Bonds.
- Bond Trustee Agreement
- Bond Trust Deed
- Copy of application made to the BSE for grant of in-principle approval for listing of bonds -application being made
- Letter from BSE conveying its in-principle approval for listing on bonds
- Letter from M/s. India Ratings and Research Private Limited (Fitch Group), ICRA Limited and CARE Ratings for issue of Taxable bonds of HUDCO and the rating rationale pertaining thereto.

- (l) Annual Report of our Company for the last three Fiscals.
- (m) Limited review financial information for the quarter ended December 31, 2017.
- (n) Tripartite agreement between NSDL, Registrar and Transfer Agent and Issuer.
- (o) Tripartite agreement between CDSL, Registrar and Transfer Agent and Issuer.

XVI. ANNEXURE / ENCLOSURES

A	Copy of Special resolution passed by the shareholders of the Company at the Meeting held on September 28, 2017 authorizing issue of bonds.
B	Copy of resolution passed by Board of directors at their meeting held on March 17, 2017 and September 28, 2017, authorizing the present issue of bonds.
C	Credit Rating letters
D	Consent letter of Trustee.
E	Application form alongwith general instructions
F	In principal listing approval, if any

DECLARATION

The Company undertakes that this Private Placement Offer Letter contains full disclosures in accordance with Form PAS-4 prescribed under Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other provisions of the Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended, notification no. NHB.HFC.NCD-DIR.1/CMD/2014 dated March 19, 2014 issued by National Housing Bank (NHB) on issuance of non-convertible debentures on private placement basis, as amended vide NHB Notification No. NHB.HFC.NCD-DIR.2/CMD/2015 dated March 13, 2015 and Notification No. NHB.HFC.NCD-DIR.3/MD&CEO/2016 dated February 9, 2016, as amended from time to time.

The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of redemption amount, is guaranteed by the Government of India.

The Company undertakes that the monies received under the issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Private Placement Offer Letter.

The Issuer accepts no responsibility for the statements made otherwise than in the Private Placement Offer Letter or in any other material issued by or at the instance of the issuer and that any one relying on such information from any other source would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the Company vide resolution dated March 17, 2017 to sign this Private Placement Offer Letter and declare that all the requirements of the Companies Act, 2013, Securities and Exchange Board of India (Issue And Listing Of Debt Securities), Regulation, 2012 rules, regulations, guidelines and circulars issued thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Private Placement Offer Letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Company.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Private Placement Offer Letter.

For Housing and Urban Development Corporation Ltd.



Qamar Ali
Executive Director (Finance)

Place: New Delhi
Date: 26.03.2018





ICRA

ICRA Limited

D/RAT/2017-18/H6/23

March 23, 2018

Mr. Rajinder Paul
Executive Director – Finance
Housing and Urban Development Corporation Limited
HUDCO Bhawan, India Habitat Center
Lodhi Road, New Delhi 110003

Dear Sir,

Re: ICRA rating for Rs. 12,000 crore (outstanding Rs. 4,195 crore, yet to be place Rs. 7,805 crore) Long Term Borrowing Programme of Housing & Urban Development Corporation Limited

Please refer to your request dated March 23, 2018 for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]AAA (pronounced as ICRA triple A) rating assigned to your captioned programme and last communicated to you vide our letter dated March 14, 2018 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The outlook on the long term rating is Stable.

The proposed issue of NCD of upto Rs. 500 crore is included in the aforesaid rated long term borrowing programme of Housing and Urban Development Corporation Limited.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: D/RAT/2017-18/H6/3 dated June 27, 2017.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

Sabyasachi Majumdar
Senior Vice President
sabyasachi@icraindia.com

Rohit Gupta
Analyst
rohit.gupta@icraindia.com

Dr. M. Ravi Kanth
Chairperson & Managing Director,
Housing and Urban Development Corporation Ltd. (HUDCO)
Core 7-A, HUDCO Bhawan,
India Habitat Centre
Lodhi Road,
New Delhi – 110003

March 23, 2018

Kind Attn: Dr. M. Ravi Kanth, Chairperson & Managing Director

Dear Sir,

Re: Rating of HUDCO's bonds and bank loans

India Ratings and Research (Ind-Ra) is pleased to communicate the following ratings:-

Instrument Type	Size of Issue (billion)	Rating/Outlook
Unsecured, Redeemable Non-Convertible, Non-Cumulative, Taxable Bonds (Part of the FY18 borrowing programme)	INR5 (Part of INR120billion FY18 borrowing programme)	IND AAA/Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch at any time due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at +91 22 4000 1700.

Sincerely,

India Ratings



Rakesh Valecha
Senior Director



Abhash Sharma
Director

CARE/DRO/RL/2017-18/3461

Dr. Ravi Kanth Medithi
CMD
Housing and Urban Development Corporation Ltd.
HUDCO Bhawan, India Habitat Centre
Lodhi Road,
New Delhi - 110003

Mar 23, 2018

Confidential

Dear Sir,

Credit rating for proposed Unsecured, Redeemable, Non-Convertible Taxable bonds issue of up to Rs.500 crore (within the overall long-term bond issue of Rs.12,000 crore for 2017-18)

Please refer to our letter number CARE/DRO/RL/2017-18/1436 dated June 21, 2017 and your request for revalidation of the rating assigned to the proposed bond issue of Housing and Urban Development Corporation Ltd (HUDCO) aggregating Rs.500 crore (within the overall long-term bond issue of Rs.12,000 crore for 2017-18, including sub-limit of Rs.2,000 crore as subordinated debt).

2. The following ratings have been reviewed:

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long Term Market Borrowing Programme (FY'18)	12,000.00 (Rupees Twelve Thousand crore only)	CARE AAA; Stable [Triple A; Outlook: Stable]	Reaffirmed

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.

4. Please inform us the below mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

7. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,



Jyoti Rautela

[Analyst]

jyoti.rautela@careratings.com

Encl.: As above

Yours faithfully,

Gaurav Dixit
[Deputy General Manager]
gaurav.dixit@careratings.com

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.



Date : 23rd March, 2018.

Housing and Urban Development Corporation Limited
HUDCO Bhawan
Core 7A, Indian Habitat Centre
Lodi Road, New Delhi – 110003

Proposed issue of Taxable Unsecured, redeemable, non-convertible bond issue of upto maximum Rs. 500.00 crore on Private placement basis by Housing and Urban Development Corporation Limited ("Company") – HUDCO Taxable Bonds Series G 2017

We, the undersigned, do hereby consent to act as a Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the 'Offer document /Private placement offer letter' to be filed by the Company with the Indian stock exchanges where the Bonds are proposed to be listed (the "Stock Exchanges") and any other document intended to be filed with Stock Exchanges, SEBI and other regulatory or statutory authority in respect of the Issue. The following details with respect to us may be disclosed:

Name : SBICAP Trustee Company Limited
Address : Apeejay House, 6th floor
3, Dinshaw Wachha Road, Churchgate,
Mumbai 400 020.
Telephone No. : 022-43025555
Fax No. : 022- 22040465
E-mail : corporate@sbicaptrustee.com
Investor Grievance e-mail : investor.cell@sbicaptrustee.com
Website : www.sbicaptrustee.com
Contact Person : Mr. Ajit Joshi (Company Secretary & Compliance Officer)
Tel No. 022- 43025503
SEBI Registration No.: IND000000536

We confirm that we are registered with SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate. We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We further confirm that no enquiry/investigation is being conducted by SEBI on us.


We further confirm that we have not received any communication from SEBI prohibiting us from acting as the intermediary:

We confirm that we will immediately inform the Company of any change, additions or deletions in respect of the matters covered in this certificate till the date when the Bonds offered, issued and allotted pursuant to the Issue, are admitted for trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of Bonds on the Stock Exchanges.

We hereby authorise you to deliver this letter of consent to the Stock Exchanges and any other regulatory or statutory authority as required.

Sincerely,

For SBICAP Trustee Company Ltd.


Ardhendu Mukhopadhyay
Authorised Signatory

डिबेंचर न्यासी

प्रारूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000256

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

SBICAP TRUSTEE COMPANY LIMITED
202, MAKER TOWER, "E" WING
20TH FLOOR, CUFF PARADE
MUMBAI - 400005
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000536**
3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to
3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board

स्थान Place : **MUMBAI**

तारीख Date : **OCTOBER 06, 2015**



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

MEDHA SONPAROTE
प्रमाणित, अत्यावृत्त
Authorised Signatory