

### Housing and Urban Development Corporation Limited – Tax Free Bonds

#### Issue Highlights

The Current interest rate levels offer a great opportunity for investors to lock in higher accruals. Tax free bonds represent one of the better options to execute the same, particularly for investors looking for long term accruals.

Issue opens	Monday, Dec 02, 2013
Issue closes	Monday, Jan 10, 2014 (First come First serve)
Issue Price	1000 per Bond
Face Value	1000 per Bond

Risk Profile	Product Type	Rating	Recommendation	10 Year	15 Year	20 year	10,15,20 Years
				Retail*	Retail	Retail	Others
Low Risk	Govt. Bonds	Care AA+	Retail Option	8.76%	8.83%	9.01%	0.25% less

\* Retail Option includes Individuals, HUFs investing upto Rs. 10 lacs; \* Others include Institutional Buyers and Corporates  
[NRI can apply for this issue](#)

#### INVESTMENT STRATEGY

We recommend individuals to invest in retail option as **yields are much higher** than current fixed deposit rates both pre and post-tax. We also recommend applying for the bonds soon as all tax free issues this year have been subscribed much before the last day of application.

#### ISSUER BRIEF

**HUDCO is a 100% GoI-owned financial institution** with a mandate to provide long-term finance for social housing and core urban infrastructure development in the country. **Hudco's** lending is mainly focused towards state undertakings in the housing or infrastructure segment with majority of loans backed by the state government guarantees and/or budgetary allocation through state-sponsored programs. The corporation also lends to infrastructure projects of the private sector entities and the same constitutes approximately 20% of the total lending portfolio of HUDCO.

Particulars	As on March 31, 2013	As on March 31, 2012	As on March 31, 2011
PBT (INR Crores)	822	940	1047
PAT (INR Crores)	550	629	700

#### COMPARISON OF VARIOUS DEBT INVESTMENTS:

Parameters	HUDCO Tax Free	Bank FDs	Postal Schemes
Risk	Low Risk	Low Risk	Risk - Free
Liquidity	Listed, tradable on exchange	Not tradable, penal interest if liquidated earlier than maturity	Not Liquid
Pre-Tax Yield%	12.6-13.03% (for 30% tax slab)	8.0%-9.5%	8.5%-9.00%
Capital Appreciation	Possible - Linked with interest movement	Nil	Nil

#### HOW TO INVEST:

Please mail us your interest / query on [info@rupreevest.com](mailto:info@rupreevest.com) or call us @7406998067 / 9874691177.

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