HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

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, 1956, as amended (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. For further details, see the section titled "**History and Certain Corporate Matters**" on page 75 of this Draft Shelf Prospectus.

Registered and Corporate Office: HUDCO Bhawan, Core- 7A, India Habitat Centre, Lodhi Road, New Delhi-110003, India.
Telephone: +91 11 2464 9610-27; **Facsimile**: +91 11 2464 8427
Compliance Officer: Mr. D. Guhan, Executive Director (Finance); **Telephone**: +91 11 2465 3711; **Facsimile**: +91 11 2462 7386
E-mail: taxfreebonds@hudco.org; **Website**: www.hudco.org

PROMOTER OF THE COMPANY: PRESIDENT OF INDIA, THROUGH THE MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION, GOVERNMENT OF INDIA

PUBLIC ISSUE BY HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED ("COMPANY" OR THE "ISSUER") OF TAX FREE BONDS OF FACE VALUE OF Rs. 1,000.00 EACH IN THE NATURE OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, HAVING BENEFITS UNDER SECTION 10(15)(iv)(h) OF THE INCOME TAX ACT, 1961, AS AMENDED ("BONDS") ISSUED AT PAR IN ONE OR MORE TRANCHES FOR AN AMOUNT AGGREGATING UP TO Rs. 3,711.50 CRORES ("SHELF LIMIT")*, ON TERMS AND CONDITIONS AS SET OUT IN SEPARATE TRANCHE PROSPECTUSES FOR EACH TRANCHE ISSUE, WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS.

** In terms of the CBDT Notification (defined hereinafter), our Company has raised Rs. 151.00 crores, Rs. 1029.00 crore and Rs. 108.50 Crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period the Shelf Limit for the Issue shall get reduced by such amount raised.*

The Issue is being made under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("**SEBI Debt Regulations**") and pursuant to notification No. 59/2015 dated July 6, 2015 issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, by virtue of powers conferred upon it by item (h) of sub-clause (iv) of clause (15) of section 10 of the Income Tax Act, 1961, as amended.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to "***Risk Factors***" on page 12 and "Recent Developments" in the Tranche Prospectus for the relevant Tranche Issue. This document has not been and will not be approved by any regulatory authority in India, including the National Housing Bank ("**NHB**"), the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

COUPON RATE, COUPON PAYMENT, FREQUENCY, REDEMPTION DATE AND REDEMPTION AMOUNT

For details relating to coupon rate, coupon payment frequency, redemption date and redemption amount of the Bonds, please refer to the section titled as "***Issue Strucutre***", "***Terms and conditions in connection with the Bonds***" and "***Terms of the Issue***" in the relevant Tranche Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Shelf Prospectus read together with the Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue does contain and, will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the relevant Tranche Issue, that the information contained in this Draft Shelf Prospectus and together with the Shelf Prospectus and the relevant Tranche Prospectus for a Tranche Issue will be true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes this Draft Shelf Prospectus read with the Shelf Prospectus and the relevant Tranche Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect at the time of the relevant Tranche Issue.

CREDIT RATING

CARE has assigned a rating of 'CARE AAA' to the Bonds vide letter dated October 19, 2015. India Ratings and Research Private Limited (formerly Fitch Ratings India Private Limited) ("**IRRPL**") has assigned a rating of 'IND AAA' (Outlook: Stable) to the Bonds vide letter dated October 19, 2015. For the rationale for this rating, see Annexure B of this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agency(ies) and should be evaluated independently of any other ratings.

PUBLIC COMMENTS

This Draft Shelf Prospectus has been filed with the BSE Limited ("**BSE**"), the Designated Stock Exchange pursuant to the provisions of the SEBI Debt Regulations. This Draft Shelf Prospectus is open for public comments for seven Working Days (i.e. until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

LISTING

The Bonds are proposed to be listed on the BSE, the Designated Stock Exchange for the Issue. BSE has given its -principle listing approval through its letter dated [●], 2015.

LEAD MANAGERS TO THE ISSUE

AXIS CAPITAL LIMITED 1st floor, Axis House, C-2 Wadia International Centre P.B. Marg, Worli, Mumbai- 400025 Telephone: +91 (22) 4325 2183 Facsimile: +91 (22) 4325 3000 Email ID: hudcotaxfree@axiscap.in Website: www.axiscapital.co.in Investor Grievance ID: complaints@axiscap.in Contact Person: Mr. Akash Aggarwal Compliance Officer: Mr. M. Natarajan SEBI Registration Number: INM000012029	**EDELWEISS FINANCIAL SERVICES LIMITED** Edelweiss House, Off CST Road, Kalina, Mumbai – 400098 Telephone: +91 (22) 4086 3535 Facsimile: +91 (22) 4086 3610 Email ID: hudcotf2015@edelweissfin.com Website: www.edelweissfin.com Investor Grievance ID: customerservice.mb@edelweissfin.com Contact Person: Mr. Lokesh Singhi Compliance Officer: Mr. B. Renganathan SEBI Registration Number: INM0000010650	**ICICI SECURITIES LIMITED** ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai 400020, India Telephone: +91 22 2288 2460/70 Facsimile: +91 22 2282 6580 Email ID: hudco.bonds2015@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Ms. Payal Kulkarni / Mr. Amit Joshi Compliance Officer: Mr. Subir Saha SEBI Registration No.: INM000011179	**SBI CAPITAL MARKETS LIMITED** 202, Maker Tower E, Cuffe Parade, Mumbai 400 005 Telphone: +91 (22) 2217 8300 Facsimile: +91 (22) 2218 8332 Email ID: hudcobonds2015@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Mr. Aditya Deshpande Compliance Officer: Mr. Bhaskar Chakraborty SEBI Registration No.: INM000003531

LEAD MANAGERS TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED 47, M.M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi - 110055 Telephone: +91 (11) 2363 6362/63 Facsimile: +91 (11) 2363 6746 Email ID: hudcotaxfree2015@rrfcl.com Website: www.rrfinance.com/www.rrfcl.com Investor Grievance ID: investors@rrfcl.com Contact Person: Mr. Anurag Awasthi Compliance Officer: Mr. Ravi Kant Goyal SEBI Registration Number: INM000007508	**KARVY COMPUTERSHARE PRIVATE LIMITED** Karvy Selenium Tower B Plot No. 31-32, Gachibowli, Financial District, Nanakramguda Hyderabad 500 032, India Telephone: +91 (40) 6716 2222 Facsimile +91 (40) 2343 1551 Email ID: hudco.bonds@karvy.com Website: www.karisma.karvy.com Investor Grievance ID: einward.ris@karvy.com Contact Person : Mr. M. Murali Krishna SEBI Registration Number: INR000000221	**SBICAP TRUSTEE COMPANY LIMITED** Apeejay House, 6th Floor 3, Dinshaw Wacha Road Churchgate, Mumbai - 400020 Telephone: +91 (22) 4302 5555 Facsimile: +91 (22) 2204046 Email ID: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com Investor Grievance ID: investor.cell@sbicaptrustee.com Contact person: Mr. Ajit Joshi SEBI Registration No: IND000000536

ISSUE PROGRAMME**

ISSUE OPENS ON: As per relevant Tranche Prosectus(es)	ISSUE CLOSES ON: As per relevant Tranche Prosectus(es)

*** The Issue shall remain open for subscription from 10:00 a.m. till 5:00 PM (Indian Standard Time) for the period mentioned above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof, or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement/s in at least one leading national daily newspaper.*

SBICAP Trustee Company Limited has, pursuant to regulation 4(4) of SEBI Debt Regulations, by its letter dated October 19, 2015 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the Bonds / Debentures issued pursuant to this Issue.
*A copy of the Shelf Prospectus and the Tranche Prospectus(es) shall be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana, in terms of Section 26 and Section 31 of the Companies Act, 2013 along with the requisite endorsed/certified copies of all requisite documents. For more information, see the section titled "**Material Contracts and Documents for Inspection**" on page **178** of this Draft Shelf Prospectus*

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DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "our Company" or "we" or "us" or "our" or "HUDCO" are to Housing and Urban Development Corporation Limited, a public limited company incorporated under the Companies Act, 1956.

Unless the context otherwise indicates or implies or defined specifically in this Draft Shelf Prospectus, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any statute or rules or regulations or guidelines or policies includes any amendments or re-enactments thereto, from time to time.

Company Related Terms

Term	Description
"Issuer", "HUDCO", "our Company" or "the Company"	Housing and Urban Development Corporation Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office and corporate office, situated at 'HUDCO Bhawan', Core- 7A, India Habitat Centre, Lodhi Road, New Delhi – 110003.
Articles/ Articles of Association/AoA	Articles of association of our Company.
Board/ Board of Directors	Board of directors of our Company.
Equity Shares	Equity shares of our Company of face value of Rs. 1,000.00 each.
Memorandum/Memorandum of Association/MoA	Memorandum of association of our Company.
"Registered Office" or "Corporate Office" or "Registered Office and Corporate Office"	The registered office and corporate office of our Company, situated at 'HUDCO Bhawan', Core- 7A, India Habitat Centre, Lodhi Road, New Delhi – 110003.
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana.
Statutory Auditors/Auditors	The statutory auditors of our Company being Dhawan & Co., Chartered Accountants.

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to the Allottees, pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying details of Bonds allotted to the Allottees in accordance with the Basis of Allotment.
Allottee(s)	A successful Applicant to whom the Bonds are allotted pursuant to the Issue.
Applicant/Investor	A person who applies for issuance and Allotment of Bonds pursuant to the terms of Draft Shelf Prospectus, Shelf Prospectus and the relevant Tranche Prospectus, Abridged Prospectus and Application Form.
Application	An application to subscribe to Bonds offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the relevant Tranche Prospectus.
Application Amount	The aggregate value of the Bonds applied for, as indicated in the Application Form.
Application Form	The form used by an Applicant for applying for the Bonds under the Issue through the ASBA or non-ASBA process, in terms of the respective Tranche Prospectus(es).
"ASBA" or "Application Supported by Blocked Amount"/ ASBA Application	An Application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the Application Amount in the specified bank account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
ASBA Applicant	Any Applicant who applies for Bonds through the ASBA process.

Term	Description
Application Interest	Interest payable on application money in a manner as more particularly detailed in "***Terms of the Issue - Interest***" on page 133
Base Issue Size	As specified in the Tranche Prospectus(es).
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the Issue, with whom the Escrow Account and or Public Issue Account will be opened and as specified in the relevant Tranche Prospectus(es).
Basis of Allotment	As specified in the relevant Tranche Prospectus(es)
Bond Certificate(s)	Certificate issued to the Bondholder(s) in case the Applicant has opted for physical bonds based on request from the Bondholders pursuant to Allotment.
Bondholder(s)	Any person holding the Bonds and whose name appears on the beneficial owners list provided by the Depositories (in case of bonds in dematerialized form) or whose name appears in the Register of Bondholders maintained by the Issuer (in case of bonds in physical form).
Bonds	Tax free secured redeemable non-convertible debentures of face value of Rs. 1,000.00 each, having tax benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961 proposed to be issued by Company under the respective Tranche Prospectus.
BSE	BSE Limited.
Business Days	All days excluding Saturdays, Sundays or a public holiday in New Delhi.
CARE	Credit Analysis and Research Limited.
Category I#	• Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; • Provident funds and pension funds with minimum corpus of Rs. 25 crores, which are authorised to invest in the Bonds; • Insurance companies registered with the IRDA; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; • Mutual funds registered with SEBI; and • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Category II#	• Companies within the meaning of section 2(20) of the Companies Act, 2013*; • Statutory bodies/corporations*; • Cooperative banks incorporated in India; • Trusts settled under the Indian Trusts Act, 1882, public/private charitable/religious trusts settled and/or registered in India under applicable laws; • Limited Liability Partnerships registered under the provisions of the LLP Act; • Regional rural banks incorporated in India; • Societies registered under applicable laws in India and authorised to invest in the Bonds; • Associations of persons; • Partnership firms formed under applicable laws of India, in the name of partners; and • Any other foreign/ domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws.

Term	Description
	* *The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that companies investing in tax-free bonds wherein the effective yield on the bonds is greater than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.*
Category III#	The following Investors applying for an amount aggregating to above Rs. 10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; and • Hindu Undivided Families through the Karta;
Category IV#	The following Investors applying for an amount aggregating up to and including Rs. 10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; and • Hindu Undivided Families through the Karta;
Consolidated Bond Certificate	The certificate issued by the Issuer to the Bondholder for the aggregate amount of the Bonds that are applied in physical form or rematerialized and held by such Bondholder for each series of Bonds under each Tranche Issue(s).
Consortium Members	Edelweiss Securities Limited, RR Equity Brokers Private Limited and SBICAP Securities Limited
Credit Rating Agencies	For the present Issue, Credit Rating Agencies are CARE and IRRPL (formerly Fitch Ratings India Private Limited).
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company, within three months from the closure of the Issue.
Debenture Trustee/ Trustee	Trustee for the Bondholders in this case being SBICAP Trustee Company Limited.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchanges in connection with the listing of the debt securities of our Company.
Deemed Date of Allotment	Deemed Date of Allotment shall be the date on which the Board of Directors/or any duly constituted committee thereof, or the Chairman and Managing Director, approves the Allotment of the Bonds for each Tranche Issue. All benefits relating to the Bonds including interest on Bonds (as specified for each tranche by way of Tranche Prospectus) shall be available to the Bondholders from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment.
Demographic Details	The demographic details of an Applicant, such as his address, bank account details for printing on refund orders and occupation.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Application Amounts are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, following which the Board of Director, or any duly constituted committee of the Board of Directors, or the Chairman and Managing Director, shall Allot the Bonds to the successful Applicants, provided that the sums received in respect of the Issue will be kept in the Escrow Account up to this date.
Designated Stock Exchange	BSE.
Draft Shelf Prospectus	The draft shelf prospectus dated October 26, 2015 filed by the Company with the Designated Stock Exchange for the purpose of seeking comments in accordance with the regulation 6(2) of SEBI Debt Regulations.
DSE	Delhi Stock Exchange Limited.
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Syndicate and the Trading Members, as the case may be, will deposit Application Amounts from non-ASBA Applicants and in

Term	Description
	whose favour non-ASBA Applicants will issue cheques or bank drafts in respect of the Application Amount while submitting the Application Form, in terms of the Shelf Prospectus, the respective Tranche Prospectuses and the Escrow Agreement.
Escrow Agreement	Agreement dated September 23, 2015 entered into amongst the Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of the amounts collected from the Applicants (other than ASBA Applicants) on the terms and conditions thereof.
FIIs	Foreign Institutional Investors as defined under the SEBI FII Regulations
FPI(s)	A foreign portfolio investor as defined under the SEBI FPI Regulations
Issue	Public issue by our Company of tax free bonds of face value of Rs. 1,000.00 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961, aggregating up to Rs. 3,711.50 crores*. **In terms of the CBDT Notification (defined hereinafter), our Company has raised Rs. 151.00, crores, Rs. 1029.00 crore and Rs. 108.50 crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.*
Issue Closing Date	The Issue closing date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue or such other date as may be decided.
Issue Opening Date	The Issue opening date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue or such other date as may be decided.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
IRRPL	India Ratings and Research Private Limited.
Lead Managers/LMs	Axis Capital Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, SBI Capital Markets Limited and RR Investors Capital Services Private Limited.
Limited Liability Partnerships	Limited liability partnerships registered under the Limited Liability Partnership Act, 2008.
Limited Review Financial Statements	The unaudited financial results of the Company for the 3 (three) months ended June 30, 2015 on which the auditor's have prepared a limited review report.
Market Lot	One Bond.
Maturity Amount/ Redemption Amount	In respect of Bonds Allotted to a Bondholder, the face value of the Bonds along with interest that may have accrued as on the Redemption Date.
Members of the Syndicate	The Lead Managers, the Consortium Members (for the purpose of marketing of the Issue), brokers and sub – brokers.
Net Issue Proceeds	Issue proceeds as raised in each of the Tranche less the Issue expenditure.
Notification/CBDT Notification	Notification No. 59/2015 dated July 6, 2015, issued by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
NRIs	Persons resident outside India, who are citizens of India or persons of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2008.
NSE	National Stock Exchange of India Limited.

Term	Description
Private Placement Offer Letters	Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 07, 2015 for private placement of Secured, Redeemable, Non-convertible, Non-cumulative Taxfree 2015 HUDCO Bonds Series A, B and C having tax benefits under section 10 (15) (iv) (h) of the Income Tax Act, 1961, as amended, in the nature of debentures of face value of Rs.10,00,000.00 each for amounts aggregating to Rs. 151.00 crore, Rs. 1029.00 crore and Rs. 108.50 crore respectively through book building route.
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts for the Issue and the SCSBs, as the case may be, on the Designated Date.
Record Date	15 (fifteen) days prior to the relevant interest payment date or relevant Redemption Date for Bonds issued under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi, the succeeding Business Day will be considered as the Record Date.
Redemption Date/ Maturity Date	The date(s) on which the Bonds issued under different series falls due for redemption as specified in the relevant Tranche Prospectus(es).
Reformatted Audited Financial Statements	Financial information of the Company from the reformatted audited financial statements of our Company for the financial years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 on which the Auditor's have submitted a report. For details, see the section titled "***Annexure A -Financial Statements***" of this Draft Shelf Prospectus.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount (excluding Application Amounts from ASBA Applicants) shall be made.
Refund Bank	As specified in the relevant Tranche Prospectus(es).
Refund Interest	Interest paid on Application Amounts liable to be refunded, in a manner as more particularly detailed in "***Terms of the Issue - Interest***" on page 133 of this Draft Shelf Prospectus.
Register of Bondholders	The register of Bondholders maintained by the Issuer in accordance with the provisions of the Companies Act and as more particularly detailed in the section titled "***Terms of the Issue - Register of Bondholders***" on page 131 of this Draft Shelf Prospectus.
Registrar to the Issue or Registrar	Karvy Computershare Private Limited.
Registrar MoU	Memorandum of understanding dated September 2, 2015 entered into between our Company and the Registrar to the Issue.
Residual Shelf Limit	In relation to each Tranche Issue, this shall be the Shelf Limit less the aggregate amount of Bonds allotted under all previous Tranche Issue and the aggregate amounts of Bonds issued through the private placement route, if any.
Security	The Bonds proposed to be issued will be secured by a first pari passu charge on present and future receivables of the Issuer to the extent of the amount mobilized under the Issue and interest thereon. The Issuer 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. For the purpose of security cover in relation to interest, the amount of interest due for a period of one (1) year shall be considered.
Series Bond holder(s)	A holder of the Bond(s) of a particular Series issued under a Tranche Issue.
Series of Bonds	A series of Bonds which are identical in all respects including, but not limited to terms and conditions, listing and ISIN number (in the event that

Term	Description
	Bonds in a single Series of Bonds carry the same coupon rate) and as further referred to as an individual Series in the relevant Tranche Prospectus.
"Self Certified Syndicate Banks" or "SCSBs"	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue being Rs. 3,711.50* crores to be issued under the Shelf Prospectus, through one or more tranches. * *In terms of the CBDT Notification, our Company has raised Rs. 151.00 crores, Rs. 1029.00 crore and Rs. 108.50 Crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.*
Stock Exchanges	BSE and/or any other stock exchange as may be considered for listing of Bonds by the Company.
Syndicate ASBA	An Application submitted by an ASBA Applicant through the Members of the Syndicate and Trading Members instead of the Designated Branches of the SCSBs.
Syndicate ASBA Application Locations	Application centres at cities specified in the SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the Members of the Syndicate and Trading Members shall accept ASBA Applications.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Trading Members	Intermediaries registered as brokers or sub-brokers under the Securities and Exchange Board of India (Brokers and Sub Brokers) Regulations, 1992 and with the relevant Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by the relevant Stock Exchnages from time to time, and duly registered with the relevant Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the relevant Stock Exchanges.
Tranche Issue	Issue of the Bonds pursuant to the terms and conditions of each Tranche Prospectus.
Tranche Prospectus	The tranche prospectus(es) containing the details of Bonds including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection of the relevant Tranche Issue.
Transaction Registration Slip or	The slip or document issued by any of the Members of the Syndicate, the

Term	Description
TRS	SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the Bonds.
Tripartite Agreements	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.
Working Days	With reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post- Issue Period, i.e. period beginning from Issue Closing Date to listing of the Bonds, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

Applications from person resident outside India and foreign nationals (including FIIs, FPIs and NRIs applying on repatriation basis and on non-repatriation basis) may be considered by the Company at their sole discretion subject to applicable laws and receipt of necessary approvals.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
CAGR	Compounded Annual Growth Rate.
CBDT	Central Board of Direct Taxes.
CBO	Community-based organisations.
CDSL	Central Depository Services (India) Limited.
CJM	Chief Judicial Magistrate.
Companies Act, 1956	Companies Act, 1956 as amended and supplemented from time to time and to the extent in force as on the date of this Draft Shelf Prospectus.
Companies Act, 2013	Companies Act, 2013 as amended and supplemented from time to time and to the extent in force as on the date of this Draft Shelf Prospectus.
CRAR	Capital to Risk Assets Ratio.
CSR	Corporate Social Responsibility.
CrPC	The Code of Criminal Procedure, 1973.
DIN	Director Identification Number.
Depository(ies)	CDSL and NSDL.
Depositories Act	Depositories Act, 1996.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
DRT	Debt Recovery Tribunal.
DTC	Direct Tax Code.
ESOP	Employee Stock Option Plan.
FCNR Account	Foreign Currency Non Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999.
FEMA Borrowing Regulations	Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
FIR	First Information Report.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HUF	Hindu Undivided Family.
IAS	Indian Administrative Service.
IA&AS	Indian Audits and Accounts Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961.

Term/Abbreviation	Description/ Full Form
Indian GAAP	Generally accepted accounting principles followed in India.
IPC	The Indian Penal Code, 1860.
IT	Information Technology.
JV	Joint Venture.
LIBOR	London Inter-Bank Offer Rate.
MoF	Ministry of Finance, GoI.
MoHUPA	Ministry of Housing and Urban Poverty Alleviation, GoI.
MCA	Ministry of Corporate Affairs, GoI.
NBFC	Non Banking Finance Company, as defined under applicable RBI guidelines.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer.
NGO	Non-Governmental Organisations.
NSDL	National Securities Depository Limited.
NR or "Non-resident"	A person resident outside India, as defined under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PFI	Public Financial Institution, as defined under Section 2(72) of the Companies Act, 2013.
PPP	Public Private Partnership.
RBI	Reserve Bank of India.
"Rupees" or "Indian Rupees" or "Rs."	The lawful currency of India.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutuional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

Business / Industry Related Terms

Term/Abbreviation	Description/ Full Form
ADB	Asian Development Bank.
ALCO	Asset Liability Management Committee.
BSUP	Basic Services to the Urban Poor.
DFI	Development Finance Institution.
DPE	Department of Public Enterprises, Government of India.
DPR	Detailed Project Report.
ECBs	External Commercial Borrowings.
EWS	Economically weaker sections.
HFC	Housing Finance Companies.
FCNR	Foreign Currency Non-Resident.
HSMI	Human Settlement Management Institute.
HPEC	High Powered Expert Committee
ILCS	Integrated low cost sanitation scheme.
ISO	International Organization for Standardization.
IHSDP	Integrated Housing and Slum Development Programme.
JNNURM	Jawaharlal Nehru National Urban Renewal Mission.
LIG	Low income group.
NCD	Non-Convertible Debenture.

Term/Abbreviation	Description/ Full Form
NHB	National Housing Bank.
NPAs	Non-Performing Assets.
PSU	Public Sector Undertaking.
RAY	Rajiv Awas Yojna.
SPV	Special Purpose Vehicle.
UIG	Urban infrastructure and governance.
UIDSSMT	Urban Infrastructure Development Scheme For Small And Medium Towns Scheme
VAMBAY	Valmiki-Ambedkar Awas Yojna.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "***Capital Structure***", "***Regulations and Policies***", "***History and Certain Corporate Matters***", "***Statement of Tax Benefits***", "***Our Management***", "***Financial Indebtedness***", "***Outstanding Litigation and Material Developments***" and "***Issue Procedure***" on pages 47, 71, 75, 51, 79, 90, 112 and 144, respectively will have the meanings ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATON

Certain Conventions

All references in this Draft Shelf Prospectus to “India” are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Draft Shelf Prospectus is derived from our i) Reformatted Audited Financial Statements, and ii) Limited Review Financial Statements. In this Draft Shelf Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular “financial year”, “fiscal year” and “Fiscal” or “FY”, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

The degree to which the Indian GAAP financial statements included in this Draft Shelf Prospectus will provide meaningful information is entirely dependent on the reader‘s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Shelf Prospectus should accordingly be limited.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to “Indian Rupees”, “INR”, “Rs.” and “Rupees” are to the legal currency of India and references to “US$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America and references to “Yen” and “JPY” are to the legal currency of Japan. For the purposes of this Draft Shelf Prospectus data will be given in Rs. in Crore. In the Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable but it has not been independently verified by us or its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Draft Shelf Prospectus is meaningful depends on the reader‘s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (Rs.) of the USD and JPY as at March 31 for the last 5 years and as at the three months ended September 30, 2015 are provided below:

Currency	September 30, 2015	March 31, 2015	March 28, 2014^	March 28, 2013*	March 30, 2012#	March 31, 2011
USD	65.75	62.59	60.09	54.39	51.15	44.65
JPY	0.55	0.52	0.58	0.58	0.62	0.54

Source: RBI reference rates

^ *March 29, 2014 was a holiday and March 30, 2014 and March 31, 2014 were trading holiday; hence, exchange rates for last working day of March, 2014 i.e March 28, 2014 have been used.*

******March 29, 2013 was a holiday and March 30, 2013 and March 31, 2013 were trading holiday; hence, exchange rates for last working day of March, 2013 i.e March 28, 2013 have been used.*

\# *March 31, 2012 was a trading holiday; hence, exchange rates for last working day i.e. March 30, 2012 have been used.*

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- growth prospects of the Indian housing and urban infrastructure sector and related policy developments;
- changes in the demand and supply scenario in housing and urban infrastructure sector in India;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition in the Indian and international markets;
- availability of adequate debt and equity financing at reasonable terms;
- performance of the Indian debt and equity markets;
- changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including in the section titled "**Risk Factors**" on page 12 of this Draft Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "***Our Business***" on page 58 of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

RISK FACTORS

*You should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and in the sections titled "**Our Business**" on page* 58 *of this Draft Shelf Prospectus as well as the financial statements contained in this Draft Shelf Prospectus, 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 Reformatted Audited Financial Statements and Limited Review Financial Statements.

RISKS IN RELATION TO OUR BUSINESS

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

The HFC Directions, which are applicable to us, have laid down prudential norms with regard to NPAs, including in relation to identification of NPAs and income recognition against NPAs. As at March 31, 2015, our gross NPAs were Rs. 2,069.59 crores or 6.25% of our outstanding portfolio which includes loans extended by us and investments in bonds, compared to Rs. 2,030.19 crores or 6. 76% as at March 31, 2014. Further, as at March 31, 2015, our net NPAs constituted 1.59% of our outstanding portfolio which includes loans extended by us and investments in bonds, compared to 2.52% as at March 31, 2014. There is no assurance that the NPA level will continue to stay at its current level. If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our results of operations and financial condition may get adversely affected. We have diversified our loan portfolio in the three years ended March 31, 2015 and intend to continue our efforts to originate new loans. We cannot therefore assure you that there will not be significant additional NPAs in our loan portfolio in the future on account of existing loans and new loans made. Further, the HFC Directions on NPAs may become more stringent than they currently are, which may adversely affect our profitability and results of operations.

The HFC Directions also prescribe the provisioning required in respect to our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. Our provisions were Rs. 1,307. 56 crores in the year ended March 31, 2014 and Rs. 1,567. 70 crores in the year ended March 31, 2015, which represented 64.41% and 75.75% respectively of our gross NPAs in those periods. If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit and adversely impact our results of operations. Further, there is no assurance that we will be able to recover the outstanding amounts due under any defaulted loans.

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. 10.00 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.

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 8.47% for the year ended March 31, 2014 to 7.93% for the year ended March 31, 2015. Changes in interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. While upto 13.53% of our loan assets (excluding investments in bonds) had a fixed rate of interest as of March 31, 2015, 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 13.53% 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.

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 8.29 % from the year ended March 31, 2011 to the year ended March 31, 2015. 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.

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

As of September 30, 2015 we had outstanding indebtedness of Rs. 21,550.22 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 towards 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 September 30, 2015, Rs. 962.70 crores, amounting to 4.47% 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.

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.

7. Our statutory auditors have qualified their audit report on our financial statements in the past and any qualifications in the auditor's report in the future may impact our results of operations.

Our statutory auditors have included certain qualifications, emphasis of matter and observations in their audit report in the financial statements for the Fiscals 2011, 2012, 2013, 2014 and 2015 including (i) making additional provision for Non Performing Assets beyond the NHB norms, (ii) accounting for application fees, front-end-fee, administrative fees and processing fees on loans on realization basis instead of accounting for on accrual basis, (iii) 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. For details in this respect and management reply thereon, please see the Annexure XII of "***Annexure A - Financial Statements***" of this Draft Shelf Prospectus.

We cannot assure you that our auditors will not qualify their audit reports on the audited financial statements in the future. Any qualifications in our auditors' reports in the future may impact our results of operations.

8. 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 liberalisation 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.

9. 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, including, among other institutions, Bank of India, Canara Bank and Vijaya Bank. For further details, please see the section titled *"**Financial Indebtedness**"* on page 90 of this Draft Shelf Prospectus.

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 and/ or CARE. For details, see the section titled "***Our Business - Our Credit Ratings***" on page 67 of this Draft Shelf Prospectus. 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 and/or CARE and any such revision may result in an increase in the cost of our funding.

10. 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 three 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. For details of these cases, see the section titled "***Outstanding Litigation and Material Developments – Criminal Proceedings against our Company*** on page 112 of this Draft Shelf Prospectus. 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.

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

Our housing and urban infrastructure business is regulated by the NHB. For further details, see the section titled "***Regulations and Policies***" on page 71 of this Draft Shelf Prospectus. 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.

12. 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. For further details, see the section titled "***History and Certain Corporate Matters - Our Joint Ventures***" on page 76 of this Draft Shelf Prospectus. 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.

13. We have high loan concentrations with our top ten borrowers contributing to 36.96% of our total loans outstanding as on March 31, 2015 and default by any one of them could significantly affect our business.

We have significant exposures to state governments as well as their agencies in relation to our loans portfolio. As of March 31, 2015, aggregate loans to our ten largest borrowers amounted to Rs. 12,118.69 crores, representing approximately 36.57% of our total loans outstanding as of such date. Our single largest borrower on such date had an outstanding balance of Rs. 2,728.99 crores, representing 8.24% of our total loans outstanding as of such date. Further, our increasing dependence on state governments and their agencies which have weak financials has also been highlighted by CARE and IRRPL as a significant risk for our loans portfolio. Whilst we are currently allowed by the NHB to extend an exposure of upto 75% of our net owned funds (NoF) to Government agencies (under individual borrower exposure, only for housing and housing related infrastructure), upto 20% of our NoF to Government agencies (under individual borrower exposure, for projects other than those of housing and housing related infrastructure), upto 15% of NoF for other category of borrowers (under individual borrower exposure), upto 150% of our NoF to 5 individual state governments, namely, Andhra Pradesh, Rajasthan, Karnataka, Tamil Nadu and Telangana (under group exposure), 100% of our NoF to all other state governments and 25% for other category of borrowers (under group exposure), any deterioration in the credit quality of these assets could have a significant adverse effect on our business, prospects, results of operations, and financial condition.

14. 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. For details of these restrictive covenants, see the section titled "***Financial Indebtedness***" on page 90 of this Draft Shelf Prospectus.

15. Some 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 Directors, are also on the board of directors of Hindustan Prefab Limited and National Buildings Construction Corporation Limited, respectively which are engaged in business lines similar to ours. For further information with respect to directorships of our Directors, please see the section titled "***Our Management***" on page 79 of this Draft Shelf Prospectus.

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.

16. 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 three 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. For further details, see the section titled "***Outstanding Litigation and Material Developments***" on page 112 of this Draft Shelf Prospectus. 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.

17. 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, 2015, 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.

18. 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, 2015, we have a CRAR of 51.21%, 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.

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

Our total contingent liabilities that have not been provided as of March 31, 2015, were Rs. 488.12 crores. The details are as follows:

(*Rs. in crore*)

	Particulars	**2014-15**
A	Claims of Contractors not acknowledged as debts	0.72
B	Counter claims of the Company	0.63
C	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61
D	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.03.2015 of Rs. 323.69 crore (previous year Rs. 320.91 crore) under protest	448.19
E	Disputed Service tax demands against which Company has gone in appeal. The Company has paid Rs. 2.64 crore (previous year Rs. 2.50 crore) under protest	6.97

For further details on contingent liabilities, see the section titled "***Annexure A - Financial Statements***" of this Draft Shelf Prospectus.

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

20. 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.

21. 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 September 30, 2015, Rs. 377.51 crores, or approximately 1.75% of our total indebtedness of Rs. 21,550.22 crores was denominated in U.S. dollars and Rs. 178.79 crores, or approximately 0.83% of our total indebtedness of Rs. 21,550. 22 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. 32.87 crores denominated in U.S. dollars and Rs. 117.23 crores denominated in Japanese Yen is currently not subject to any hedging arrangements. For further details, please see the section titled "***Financial Indebtedness***" on page 90 of this Draft Shelf Prospectus. 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.

22. 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.

23. 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 utilise 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.

24. 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 favourable 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.

25. With regard to the composition of our Board, we are currently not in compliance, and have not been able to comply on certain occasions in the past, with guidelines issued by the Department of Public Enterprises and under the provisions of the Companies Act, 2013.

With regard to the composition of our Board, we are currently not in compliance, and have not been able to comply on certain occasions in the past, with the provisions of the Office Memorandum dated May 14, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, GoI ("**DPE Corporate Governance Guidelines**"). Our statutory auditors have, in certain occasions in the past, qualified their annual corporate governance reports of our Company stating that our Board was not in compliance with the DPE Corporate Governance Guidelines. Our Company has responded to this qualification by stating that the power to appoint Directors on its Board vests with the GoI and that this non-compliance had been duly brought to the attention of the GoI on numerous occasions.

Furthermore, as on date, less than 50% of the members of our Board are independent Directors, which makes us non-compliant with the DPE Corporate Governance Guidelines and under Section 149 (4) of the Companies Act, 2013 every listed public company shall have atleast $1/3^{rd}$ of the total number of Directors as Independent Directors. There can be no assurance, given the fact that our Company does not have the power to appoint Directors on its Board, that such non-compliance will be rectified in a timely manner, or that, upon the expiration of the terms of our current independent Director or the appointment of functional directors, suitable and timely replacements will be appointed by the GoI.

26. Our profits and cashflows could be adversely affected upon the approval of the 'Voluntary Retirement Scheme 2013' by our shareholders.

Our Board has, by its resolution dated April 23, 2013, approved the Voluntary Retirement Scheme, 2013 ("**HUDCO VRS Scheme**"), providing for voluntary retirement benefits for certain of its wholetime employees. The HUDCO VRS Scheme provides, *inter alia*, lumpsum ex-gratia payments to eligible employees in lieu of their voluntary retirement. While the financial impact of the HUDCO VRS Scheme, once approved by our shareholders is contingent on the number of eligible employees chosing to avail of voluntary retirement, the implementation of this scheme may have a material adverse effect on our cashflows, profits, results of operations and financial condition.

27. 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:

(*Rs. in crore*)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net cash used in operating activities	(182.31)	(3663.15)	(429.83)	(896.21)	(414.26)
Net cash used in investing activities	(12.61)	(80.26)	531.60	71.20	206.04
Net cash used in financing activities	204.36	3375.30	(2,181.93)	2875.65	179.69

For further details, see the section titled "***Annexure A - Financial Statements***" of this Draft Shelf Prospectus.

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.

28. 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 authorised 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.

29. 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 2011, 2012, 2013, 2014 and 2015 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.

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

31. 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.

32. The proposed adoption of IFRS may result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Our Financial Statements are extracted from our Consolidated Financial Statements as of and for the Financial Years ended March 31, 2011, 2012, 2013, 2014 and 2015 prepared in accordance with Indian GAAP and no attempt has been made to reconcile any of the information given in this Draft Shelf Prospectus to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles and auditing standards with which prospective investors may be familiar with in other countries. We do not provide a reconciliation of our Financial Statements to IFRS or U.S. GAAP or a summary of principal differences between Indian GAAP, IFRS and U.S. GAAP relevant to our business. As there are significant differences between Indian GAAP and IFRS and between Indian GAAP and U.S. GAAP, there may be substantial differences in the results of operation, cash flows and financial positions discussed in this Red Herring Prospectus, if the relevant Financial Statements were prepared in accordance with IFRS or U.S. GAAP. Accordingly, the degree to which the financial information included in this Draft Shelf Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP and the Companies Act, any reliance by persons not familiar with Indian GAAP or the financial disclosures presented in this Draft Shelf Prospectus should accordingly be limited.

33. 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 polcies 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.

34. With regard to compliance with the Housing Finance Compamies (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 Compamies (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 non compliance will be rectified in the near future.

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

As on September 30, 2015 the President of India acting through the MoHUPA holds 100% 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.

36. This Shelf Prospectus includes Limited Review Financial Statements and subjected to limited review in accordance with the Standard on Review Engagements (SRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India, in relation to our Company. Reliance on such Limited Review Financial Statements should, accordingly, be limited.

This Draft Shelf Prospectus includes Limited Review Financial Statements in relation to our Company, for the three months ended June 30, 2015, which have been prepared by the Company, in respect of which the Auditors of our Company have conducted their review in accordance with Standard on "Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India and have issued their Limited Review Report dated October 26, 2015. As Limited Review Financial Results have been subject only to a limited review as described in Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India, and not to an audit, any reliance by prospective investors on such Limited Review Financial Statements for the three months ended June 30, 2015 should, accordingly, be limited.

RISKS IN RELATION TO THE BONDS

37. The Bonds are classified as 'tax free bonds' eligible for tax exemption under Section 10(15)(iv)(h) of the Income Tax Act, up to an amount of interest on such bonds.

The Bonds are classified as 'tax free bonds' issued in terms of Section 10(15)(iv)(h) of the Income Tax Act and the CBDT Notification. In accordance with the said section, the amount of interest on such bonds shall be entitled to exemption under the provisions of Income Tax Act. Therefore only the amount of interest on bonds is exempt and the amount of investment will not be considered for any deduction/ exemption under the Income Tax Act. For further details, see the section titled "***Statement of Tax Benefits***" on page 51 of this Draft Shelf Prospectus.

38. There is no guarantee that the Bonds issued pursuant to this Issue will be listed on the BSE 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 authorising the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the BSE.

39. You 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. Although our Company will create appropriate security in favour of the Debenture Trustee for the holders of the Bonds on the assets adequate to ensure 100% asset cover for the Bonds, the realizable value of the secured assets, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the Bonds. A failure or delay to recover the expected value from a sale or disposition of the secured assets could expose you to a potential loss.

40. 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 'CARE AAA' by CARE and 'IND AAA' by IRRPL. The ratings provided by CARE and IRRPL 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.

41. Changes in interest rates may affect the prices of the Bonds.

All securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of the Bonds.

42. A debenture redemption reserve will be created, only up to an extent of 25% for the Bonds and in the event of default in excess of such reserve, Bondholders may find it difficult to enforce their interests.

Section 71 of the Companies Act, 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014 states that the Company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the value of debentures issued through public issue as per present SEBI Debt regulations in case of HFCs registered with NHB. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than 15% (fifteen percent), of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely: (i) in deposits with any scheduled bank, free from any charge or lien; (ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trust Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above, provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below 15% (fifteen percent) of the amount of the debentures maturing during the year ending on the 31st day of March of that year. Therefore, we will maintain a debenture redemption reserve only to the extent of 25% of the Bonds issued, or such a percentage as may be required under the applicable law as amended from time to time, and the Bondholders may find it difficult to enforce their interests in the event of or to the extent of a default in excess of such reserve.

43. 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, as per applicable laws. 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. The issue of any such debt securities may reduce the amount recoverable by investors in the Bonds on our bankruptcy, winding-up or liquidation.

44. There may be no active market for the Bonds as a result the liquidity and market prices of the Bonds may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the Bonds will develop. If an active market for the Bonds fails to develop or be sustained, the liquidity and market prices of the Bonds may be adversely affected. The market price of the Bonds would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market price of our Equity Shares, (iii) the market for listed debt securities, (iv) general economic conditions, and, (v) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which you purchase the Bonds and/or be relatively illiquid.

EXTERNAL RISKS

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

We are incorporated in India, and substantially all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. 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.

The GDP growth rate of India has declined to 4.5% in the Financial Year 2013 and 4.7% in the Financial Year 2014. (Source: Indian Economic Survey 2013-14, Ministry of Finance, Government of India) Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares.

46. 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.

47. 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 liberalisation 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.

48. 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.

49. 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.

50. 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.

51. 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.

52. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, and SEBI has introduced changes to the equity listing agreements, some provisions of which are effective from October 1, 2014 and some will become effective from April 1, 2015, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 provides for, among other things, changes in the regulatory framework govering the issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer document, corporate governance norms, accounting policies and audit matters, obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. The Companies Act, 2013 is expected to be conplemented by a set of rules that shall set out the procedures for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the issue, and on the business, prospects and results of operations of the Company.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). Recently, SEBI issued revised corporate governance guidelines which are effective from October 1, 2014 (except in the case of appointment of one woman director, in which case the timelines for compliance has been extended to April 1, 2015). Pursuant to the revised guidelines, we will be required to, amongst other things ensure that there is at least one woman director on our Board at all times, establish a vigilance mechanism for directors and employees and reconstitute certain committees in accordance with the revised guidelines, which we have complied with. We may face difficulties in complying with any such overlapping requirements. As a result of the changes brought about by the Companies Act, 2013 to the provisions relating to the accounting policies, going forward, we may also be required to apply a different rate of depreciation. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects of the Issue would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects in accordance with the Articles of Association of our Company and as may otherwise be prescribed by SEBI.
On May 26, 2015, the Companies (Amendment) Act, 2015 (the "**Amendment Act**") was notified which brings certain amendments to the Companies Act, 2013 few of which are yet to come into force. The Amendment Act provides for, amongst other things, relaxation from special resolution for approval of related party transactions by non-related shareholders, auditor reporting of frauds, empowering the audit committee to give omnibus approvals for related party transactions on an annual basis and specific punishment for deposits accepted under the Companies Act, 2013. We cannot assure you that the Amendment Act will not have an adverse effect on our business, results of operations and financial condition.

Additionally, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps.

THE ISSUE

The CBDT has, by the CBDT Notification, authorised our Company to raise the Bonds aggregating to Rs. 5,000.00 crores. Our Company proposes to raise Rs. 3,711.50 crores* through a public issue of the Bonds in one or more tranches prior to March 31, 2016.

**** In terms of the CBDT Notification, our Company has raised Rs. 151.00 crores, Rs. 1029.00 crore and Rs. 108.50 Crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.***

The following is a summary of the terms of the Bonds, for an amount not exceeding the Shelf Limit. This section should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled "***Terms of the Issue***" on page 128 of this Draft Shelf Prospectus.

COMMON TERMS FOR ALL SERIES OF THE BONDS

Security name	HUDCO Tax Free 2015 Bonds Series [●]
Issuer	Housing and Urban Development Corporation Limited.
Type of instrument	Tax free bonds of face value of Rs. 1,000.00 each, in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act.
Nature of instrument	Secured.
Seniority	Senior.
Mode of issue	Public issue.
Eligible Investors	See the section titled "***Issue Procedure - Who can apply***" on page 144 of this Draft Shelf Prospectus.
Listing	The Bonds shall be listed on the BSE within 12 Working Days from the Issue Closure Date.
Rating of the instrument	'CARE AAA' from CARE and 'IND AAA' from IRRPL. These credit ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by assigning rating agencies and should be evaluated independently of any other ratings. For the rationale for these ratings, see Annexure B of this Draft Shelf Prospectus.
Issue size	As specified in the relevant Tranche Prospectus with aggregate issuance amount in all Tranche Prospectus taken together, not exceeding the Shelf Limit.
Option to retain oversubscription	As specified in the relevant Tranche Prospectuses.
Objects of the Issue	See the section titled "***Objects of the Issue***" on page 49 of this Draft Shelf Prospectus.
Details of utilisation of proceeds	See the section titled "***Objects of the Issue***" on page 49 of this Draft Shelf Prospectus.
Coupon rate	See the section titled "***Terms of the Issue - Interest***" on page 133 of this Draft Shelf Prospectus.
Step up/ step down coupon rates	See the section titled "***Terms of the Issue - Interest***" on page 133 of this Draft Shelf Prospectus.
Coupon payment frequency	Annual.
Coupon payment dates	See the section titled "***Terms of the Issue - Payment of Interest on Bonds***" on page 135 of this Draft Shelf Prospectus.
Coupon type	Fixed.
Coupon Reset Process	Not Applicable
Default interest	See the section titled "***Terms of the Issue - Events of Default***" on page 138 of this Draft Shelf Prospectus.
Day count basis	Actual/ actual.
Interest on Application Amounts	See the section titled "***Terms of the Issue - Interest on Application Amounts***" on page 133 of this Draft Shelf Prospectus.
Tenor***	10 years, 15 years and 20 years from the Deemed Date of Allotment.
Redemption Dates	The date(s) on which the Bonds issued under different series falls due for redemption as specified in the relevant Tranche Prospectus(es).

Redemption Amount	In respect of Bonds Allotted to a Bondholder, the face value of the Bonds along with interest that may have accrued as on the Redemption Date.
Redemption Premium/ Discount	Not Applicable
Issue Price (in Rs.)	Rs. 1,000.00.
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put/Call	Not Applicable
Face Value (in Rs.)	Rs. 1,000.00
Minimum application size	As specified in the Tranche Prospectus for a particular Series. The minimum number of Bonds per application form will be calculated on the basis of the total number of Bonds applied for under each such Application Form and not on the basis of any specific option.
Issue opening date	As specified in the Tranche Prospectus.
Issue closing date*	As specified in the Tranche Prospectus. The Issue shall remain open for subscription from 10:00 a.m. till 5:00 p.m. (Indian Standard Time) for the period mentioned above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof, or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement/s in at least one leading national daily newspaper.
Pay-in date	Application Date.
Deemed date of Allotment	The date on which the Board or a duly constituted committee thereof, or the Chairman and Managing Director approves the Allotment of the Bonds for each Tranche Issue. All benefits relating to the Bonds including interest on Bonds (as specified for each Tranche by way of Tranche Prospectus) shall 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.
Issuance mode of the instrument	Dematerialised form or physical form** as specified by an Applicant in the Application Form.
Trading	In dematerialised form only.
Depositaries	NSDL and CDSL.
Business day convention	See the section titled "***Terms of the Issue - Effect of holidays on payments***" on page 135 of this Draft Shelf Prospectus.
Record Date	15 (fifteen) days prior to the relevant interest payment date or relevant Redemption Date for Bonds issued under the relevant Tranche Prospectus. In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi, the succeeding Business Day will be considered as the Record Date.
Security	The Bonds proposed to be issued will be secured by a first pari passu charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue and interest thereon. Our 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. For the purpose of security cover in relation to interest, the amount of interest due for a period of one (1) year shall be considered.
Transaction documents	The Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es) read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other security documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by the Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Escrow Agreement, Tripartite Agreements, the Memorandum of Understanding with the Registrar and the Memorandum of Understanding with the Lead Managers.
Conditions Precedent/Subsequent to Disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedent/subsequent to disbursement. See "***Issue Procedure - Utilisation of the Proceeds of the Issue***" on page 167 of this Draft Shelf Prospectus
Events of default	See the section titled "***Terms of the Issue – Events of Default***" on page 138 of this Draft Shelf Prospectus.
Cross Default	N.A.
Roles and responsibility	See the section titled "***Terms of the Issue – Debenture Trustee***" on page 140 of this Draft Shelf

of the Debenture Trustee	Prospectus.
Governing law and jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the Bondholders will be subject to the jurisdiction of competent courts in New Delhi.
Security cover	At least 100% of the outstanding Bonds at any point of time.
Debenture Trustee	SBICAP Trustee Company Limited.
Registrar	Karvy Computershare Private Limited.
Modes of payment	Through various available modes as detailed in the section titled "***Issue Procedure – Payment Instructions***" on page 152 of this Draft Shelf Prospectus.
Lead Managers	Axis Capital Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, SBI Capital Markets Limited and RR Investors Capital Services Private Limited.

* *The Issue shall remain open for subscription from 10:00 a.m. till 5:00 p.m. (Indian Standard Time) for the period mentioned above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof, or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement/s in at least one leading national daily newspaper.*

** *In terms of Regulation 4(2)(d) of the Debt Regulations and Section 29 of the Companies Act, 2013, our Company will make public issue of the Bonds in the dematerialised form. However, in terms of Section 8 (1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the Bonds in physical form will fulfill such request.*

**** The Company has sought permission/ approval from MCA for issuance of the Bonds having mautirty period of over 10 years. Thus, the issuance of the Bonds exceeding the maturity period of 10 years by the Company is subject to receipt of requisite permission/ approval of MCA.*

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that 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.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of Bonds pursuant to the Issue.

SPECIFIC TERMS FOR EACH SERIES OF BONDS

Options	Option 1	Option 2	Option 3
Tenure of Bonds*	10 years	15 years	20 years
Maturity/Redemption Date	10 years from Deemed Date of Allotment	15 years from Deemed Date of Allotment	20 years from Deemed Date of Allotment
Coupon Rates for Category I, II and III#			
Series of Bonds**	**Series 1A**	**Series 2A**	**Series 3A**
Coupon Rate (%) per annum	To be determined as per the methodology mentioned in CBDT Notification dated July 6, 2015 and as specified in Prospectus		
Annualized Yield (%) per annum			
Coupon Rates for Category IV			
Series of Bonds**	**Series 1B**	**Series 2B**	**Series 3B**
Coupon Rate (%) per annum	To be determined as per the methodology mentioned in CBDT Notification dated July 6, 2015 and as specified in Prospectus		
Annualized Yield (%) per annum			

 # Pursuant to the CBDT Notification and for avoidance of doubt, it is clarified as under:

** The Company has sought permission/ approval from MCA for issuance of the Bonds having mautirty period of over 10 years. Thus, the issuance of the Bonds exceeding the maturity period of 10 years by the Company is subject to receipt of requisite permission/ approval of MCA.*

*** The number of Series of Bonds will be decided at the time of filing the Tranche Prospectus (es). Our Company shall allocate and Allot Bonds of Series [●] Bonds maturity to all valid applications, wherein the applicants have not indicated their choice of the relevant Bond series.*

a. *The coupon rates indicated under Series 1B, Series 2B and Series 3B shall be payable only on the Retail Individual Investor Portion in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under the Retail Individual Investor Category/Category IV;*

b. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are transferred by Retail Individual Investors to Non-Retail Individual Investors, being Category I, Category II and Category III investors, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Series 1A, Series 2A and Series 3A respectively;*

c. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are sold/transferred by the Retail Individual Investors to investor(s) who fall under the Retail Individual Investor category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*

d. *If on any Record Date, the original Retail Individual Investor Allotee(s)/transferee(s) hold the Bonds under Series 1A, Series 1B, Series 2A, Series 2B, Series 3A and Series 3B for an aggregate face value amount of over Rs. 10 lakh, then the coupon rate applicable to such Retail Individual Investor Allottee(s)/transferee(s) on Bonds under Series 1B, Series 2B, Series 3B shall stand at par with coupon rate applicable on Series 1A, Series 2A, and Series 3A, respectively;*

e. *Bonds Allotted under Series 1A, Series 2A and Series 3A shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of category of holder(s) of such Bonds; and*

f. *For the purpose of classification and verification of status of the eligibility of a Bondholder under the Retail Individual Investor category, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds Allotted under the Issue shall aggregated on the basis of PAN.*

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our financial information for the years ended March 31 2015, 2014, 2013, 2012 and 2011. The summary financial information presented below should be read in conjunction with the section titled "***Annexure A - Financial Statements***" of this Draft Shelf Prospectus.

Statement of Assets & Liabilities

(Rs. in crore)

S. No.	Particulars	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
I	EQUITY AND LIABILITIES					
(1)	Share Holders' Funds					
	(a) Share Capital	2,001.90	2,001.90	2,001.90	2,001.90	2,001.90
	(b) Reserves and Surplus	5,779.27	5,121.43	4,512.06	3,986.99	3,519.07
	Sub-Total (1)	7,781.17	7,123.33	6,513.96	5,988.89	5,520.97
(2)	Non-current Liabilities					
	(a) Long-term Borrowings	18,315.14	18,868.21	13,504.40	13,713.59	9,531.54
	(b) Deferred Tax Liabilities (Net)	506.89	495.05	416.39	350.37	281.85
	(c) Other Long-term Liabilities	73.11	112.59	104.15	51.74	119.71
	(d) Long-term Provisions	258.92	227.68	219.23	211.83	163.40
	Sub-Total (2)	19,154.06	19,703.53	14,244.17	14,327.53	10,096.50
(3)	Current Liabilities					
	(a) Short-term Borrowings	0.00	20.00	48.54	-	100.00
	(b) Trade Payable	9.34	13.76	18.78	31.10	10.72
	(c) Other Current Liabilities	5,977.26	3,176.48	5,894.90	6,928.91	6,861.00
	(d) Short-term Provisions	191.54	176.43	228.80	217.05	147.74
	Sub-Total (3)	6,178.14	3,386.67	6,191.02	7,177.06	7,119.46
	Total (1+2+3)	33,113.37	30,213.53	26,949.15	27,493.48	22,736.93
II	ASSETS					
(1)	Non-current Assets					
	(a) Fixed Assets					
	(i) Tangible Assets	74.62	68.05	71.06	71.37	74.20
	(ii) Intangible Assets	0.07	0.05	0.00	0.01	0.01
	(iii) Capital work-in-progress	24.94	26.68	17.65	13.87	11.81
		99.63	**94.78**	**88.71**	**85.25**	**86.02**
	(b) Non-current Investments	355.68	753.88	683.98	813.98	1,223.98
	(c) Long-term Loans and Advances	27,173.93	24,033.96	21,141.78	19,111.64	16,366.74
	(d) Other Non-current Assets	-	-	-	-	6.40
	Sub-Total (1)	27,629.24	24,882.62	21,914.47	20,010.87	17,683.14
(2)	Current Assets					
	(a) Current Investments	400.00	-	-	410.00	75.00
	(b) Trade Receivable	10.05	10.07	10.60	12.52	16.57
	(c) Cash and Bank Balances	284.92	271.89	696.77	2,778.84	716.20
	(d) Short Term Loan & Advances	3,869.15	4,178.62	3,620.46	3,565.44	3,740.27
	(e) Other Current Assets	920.01	870.33	706.85	715.81	505.75
	Sub-Total (2)	5,484.13	5,330.91	5,034.68	7,482.61	5,053.79
	Total (1+2)	33,113.37	30,213.53	26,949.15	27,493.48	22,736.93

Statement of Profits

S.No	Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011
I	Income					
(i)	Revenue from Operations	3,346.55	2,945.03	2,864.55	2,736.77	2,262.16
(ii)	Other Income	81.22	48.82	58.69	41.86	16.43
	Total Revenue - I (i+ii)	3,427.77	2,993.85	2,923.24	2,778.63	2,278.59
II	Expenses					
(i)	Finance Cost	1,775.38	1,701.71	1,567.92	1,629.08	1,273.27
(ii)	Employee Benefits Expense	161.37	104.84	122.30	110.52	114.45
(iii)	Depreciation and Amortisation	5.28	4.32	4.96	4.60	11.42
(iv)	Other Expenses	38.19	47.32	40.52	29.77	24.41
(v)	Corporate Social Responsibilities Expenditure	3.23	10.51	10.16	20.87	4.99
(vi)	Provision on Loans	101.28	167.85	68.00	352.18	-112.20
(vii)	Provision on Debtors/recoverables, other loans and advances	2.52	1.33	2.39	6.71	1.43
(viii)	Provision on Investment	-	-	-	-	-
(ix)	Additional Provision on Loans	170.00	(160.00)	65.00	(315.00)	140.00
	Total Expenses (II)	2,257.25	1,877.88	1,881.25	1,838.73	1,457.77
III	Profit before exceptional, extraordinary Items and tax (I-II)	1,170.52	1,115.97	1,041.99	939.90	820.82
IV	Exceptional Items	0.00	0.00	0.00	0.00	0.00
V	Profit before extraordinary Items and tax (III-IV)	1,170.52	1,115.97	1,041.99	939.90	820.82
VI	Extraordinary Items	-	-	-	-	-
VII	Prior period adjustments	10.42	(21.62)	19.71	0.07	0.29
VIII	Profit Before Tax (V-VI+VII)	1,180.94	1,094.35	1,061.70	939.97	821.11
IX	Tax Expense					
(i)	Current tax	391.50	290.00	295.50	250.00	223.79
(ii)	Deferred tax	12.07	78.66	66.01	68.52	44.49
(iii)	Fringe benefit tax	-	-	-	-	-
(iv)	Adjustment of tax of earlier years (Net)	(0.26)	(0.65)	(0.37)	(8.88)	2.80
	Total Tax Expense IX (i+ii+iii)	403.31	368.01	361.14	309.64	271.08
X	Profit for the period (VIII-IX)	777.63	726.34	700.56	630.33	550.03
XI	Earnings per Share (Face value . 1000)					
	(Refer S.No 16 of Note No 26 - Explanatory Notes)					
	(1) Basic	388.45	362.83	349.95	314.87	274.75
	(2) Diluted	388.45	362.83	349.95	314.87	274.75

CASH FLOW STATEMENT

(Rs. in crore)

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES					
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1171.04	1115.97	1042.00	939.90	820.82
Add/ (Less): Adjustments for:					
Depreciation	5.28	4.32	4.96	4.60	11.42
Provision on loans & advances	(2.55)	1.33	2.07	6.64	1.43
Provision for leave encashment	5.28	(10.57)	5.25	1.68	5.47
Provision for post retirement medical benefit	21.35	6.90	17.58	8.67	8.72
Provision for Loans	101.28	167.85	68.00	352.18	(112.20)
Provision for welfare expenditure	0.58	(0.03)	0.31	0.02	-
Provision for LTC	(5.13)	(2.57)	(2.07)	2.28	(3.20)
Provision for Provident Fund	0.00	(4.12)	(4.61)	(5.21)	13.94
Provision for Corporate Social Responsibilities (CSR)	(8.36)	18.30	-	19.87	-
Provision for Loans (exceptional items)	170.00	(160.00)	65.00	(315.00)	140.00
Provision for Wealth Tax	0.25	0.25	-	-	-
Provision for Interest under Income tax Act	5.40	2.50	-	-	-
Prior Period Adjustments (Net)	10.42	(21.62)	19.71	0.07	0.29
Loss/ (Profit) on sale of Fixed Assets (Net)	0.01	(0.03)	(0.02)	(0.03)	(0.01)
Translation/exchange (Gain)/Loss on Foreign Currency Loan	(13.13)	5.18	(15.20)	40.28	9.61
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1461.72	1123.66	1202.98	1055.95	896.29
Adjustment for					
Decrease/(Increase) in Loans	(3094.93)	(3448.79)	(2211.36)	(2544.04)	(989.84)
(Increase)/Decrease in Current Assets, other Loans & Advances	(419.93)	(472.97)	(270.88)	(466.85)	(235.02)
Increase/(Decrease) in Current Liabilities and Provisions	1496.16	(1224.75)	570.92	808.08	(298.99)
CASH GENERATED FROM OPERATIONS	(556.98)	(4022.85)	(708.34)	(1146.86)	(627.56)
Direct taxes paid(Net of refunds)	373.52	359.66	278.50	250.34	211.58
Securities Premium on Bonds	0.00	0.04	0.00	0.00	0.00
KFW Reserve	1.15	0.00	0.01	0.31	1.72
NET CASH FLOW FROM OPERATING ACTIVITIES	(182.31)	(3663.15)	(429.83)	(896.21)	(414.26)
CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Investment	(1.80)	(69.90)	540.00	75.00	225.00
Purchase of fixed assets	(10.83)	(10.45)	(8.48)	(3.88)	(19.00)
Sale of Fixed assets	0.02	0.09	0.08	0.08	0.04
NET CASH FLOW FROM INVESTING ACTIVITIES	(12.61)	(80.26)	531.60	71.20	206.04

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
CASH FLOW FROM FINANCING ACTIVITIES					
Proceed from borrowings (Net)	321.37	3,550.80	(2,019.21)	3003.52	248.58
Corporate Dividend Tax Paid	(17.00)	(25.50)	(22.71)	(17.85)	(9.81)
Dividend Paid	(100.01)	(150.00)	(140.01)	(110.02)	(59.08)
NET CASH FLOW FROM FINANCING ACTIVITIES	204.36	3375.30	(2181.93)	2875.65	179.69
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	9.44	(368.11)	(2080.16)	2050.64	(28.53)
CASH & CASH EQUIVALENTS - OPENING BALANCE	71.74	439.85	2,606.93	556.29	584.82
CASH & CASH EQUIVALENTS - CLOSING BALANCE	81.18	71.74	526.77	2606.93	556.29
NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	9.44	(368.11)	(2080.16)	2050.64	(28.53)

SUMMARY OF BUSINESS

Overview

We are a techno-financial institution engaged in the financing and promotion of housing and urban infrastructure projects throughout India. We were established on April 25, 1970 as a wholly owned 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 2(72) of the Companies Act, 2013 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. We believe our organization occupies a key position in the GoI'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, 2015, we have provided finance for over 16.62 million dwelling units and over 2,025 urban infrastructure projects in India. Further, up to March 31, 2015, we have sanctioned loans of Rs. 54,098.00 crores for housing and Rs. 94,165.00 crores for urban infrastructure on a cumulative basis, of which Rs. 37,889.00 crores and Rs. 63,396.00 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:

Certain Key Operational Indicators	Fiscal 2015	Fiscal 2014	Fiscal 2013
Loan book (loan outstanding including investment in bonds) (Rs. in crores)	33,134.86	30,011.82	26,606.52
Long term debt to equity ratio	2.70	2.88	2.60
CRAR (%)	51.21	27.85	23.24
Net NPA (%)	1.59%	2.52%	0.86%
Net interest margin* (Rs. in crores)	1,553.22	1,263.50	1,286.38

**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 and profit after tax for the last three Fiscals are as set forth below:

(Rs. in crores)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total income	3427.77	2993.85	2923.24
Profit after tax	777.63	726.34	700.56

Key financial parameters

Provided below is a summary of our key financial parameters for the last three Fiscals.

(Rs. in crore except percentages)

Particulars	Fiscal 2015 (Audited)	Fiscal 2014 (Audited)	Fiscal 2013 (Audited)
Paid up equity share capital	2001.90	2001.90	2001.90
Net worth	7,781.17	7,123.33	6513.96
Total Debt *(of which)*			
Non Current Maturities of Long Term Borrowing	18,315.14	18,868.21	13504.40
- Short Term Borrowing*	2,815.37	980.71	2127. 99
- Current Maturities of Long Term Borrowing	2,337.14	1,455.83	3235.12
- Net Fixed Assets (Net Block including CWIP)	99.63	94.78	88.71
Non Current Assets	27,629.24	24,882.62	21914.47
Cash and Cash Equivalents	81.18	71.74	526.77
Current Investments	-	-	-
Current Assets	5,484.13	5,330.91	5034.68
Current Liabilities	6,178.14	3,386.67	6191.02
Assets under Management and Off Balance Sheet Assets	N.A	N.A	N.A
Interest Income	3,311.85	2,918.23	2830.99
Interest Expense	1,758.63	1,654.73	1544.61
Provisioning & Write-offs**	273.80	9.18	135.39
Profit before tax (PBT)	1,180.94	1,094.35	1,061.70
Profit after tax (PAT)	777.63	726.34	700.56
Gross NPA (%)	6.25%	6.76%	5.69%
Net NPA (%)	1.59%	2.52%	0.83%
Tier I Capital Adequacy Ratio (%)	51.21%	27.85%	23.24%
Tier II Capital Adequacy Ratio (%)	0.00	0.00	0.00
Dividend declared/paid	100.01	100.01	150.00
Interest Coverage Ratio (%)- PBIT/Interest Expense	1.67	1.67	1.67

* *Short term borrowings including cash credit/overdraft facilities*

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

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 owned 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 from the GoI 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, a high credit rating, for long-term borrowing from each of CARE and IRRPL.

We have operated our financing business profitably since inception, including a profit after tax of Rs. 777.63 crores for Fiscal 2015. As on March 31, 2015, our Company had a net worth of Rs. 7,781.77 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 offices in Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Dehradun, Delhi (NCR), Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Kohima, 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 45 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 September 30, 2015 we have provided finance for over 16. 29 million dwelling units and over 2,065 urban infrastructure projects across social infrastructure and area development, water supply, sewerage and drainage, roads and transport, power, emerging sector, commercial infrastructure and others. Further, as on September 30, 2015, we have sanctioned loans of Rs. 59,334.00 crores for housing and Rs. 93,744.00 crores for urban infrastructure on a cumulative basis, of which Rs. 38,294.00 crores and Rs. 64,014.00 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, and building technology promotion activities enable us to further strengthen our business process with regard to providing finance and consultancy services.

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 section housing programme. 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 43 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 though consultancy.

GENERAL INFORMATION

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, 1956 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. For further details, see the section titled "***History and Certain Corporate Matters***"on page 75. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on December 9, 1996. The President of India holds 100% of the paid up equity share capital of our Company, either directly or through nominee shareholders.

Registered and Corporate Office

HUDCO Bhawan, Core- 7A
India Habitat Centre
Lodhi Road
New Delhi - 110003
Telephone: +91 (11) 2464 9610
Facsimile: +91 (11) 2464 8179
E-mail: taxfreebonds@hudco.org
Website: www.hudco.org

Registration

Details	Registration/Identification number
Company registration number	005276
CIN	U74899DL1970GOI005276
NHB registration classifying the Company as housing finance company	01.0016.01

Address of the Registrar of Companies

The Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019

Compliance Officer

Mr. D. Guhan
Executive Director (Finance)
HUDCO Bhawan, Core- 7A
India Habitat Centre
Lodhi Road
New Delhi - 110003
Telephone: +91 (11) 2465 3711, 24649610-27, 24620117
Facsimile: +91 (11) 24627386, 24648179
E-mail: guhan@hudco.org

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted Bonds in beneficiary accounts, Bond Certificates (for Applicants who have applied for Allotment in physical form), refund orders and interest on the Application Amounts.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of Bonds applied for, Series of Bonds applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for number of Bonds applied for, amount blocked on Application.

All grievances arising out of Applications for the Bonds made through Trading Members may be addressed directly to the BSE.

Chief Financial Officer

Our Company does not have a designated Chief Financial Officer. The finance functions of our Company are headed by Mr. Rakesh Kumar Arora, whose particulars are provided below.

Mr. Rakesh Kumar Arora
Director, Finance
HUDCO Bhawan, Core- 7A
India Habitat Centre
Lodhi Road
New Delhi – 110003
Telephone: +91 (11) 24627093
Facsimile: +91 (11) 24627035
Email: dfhudco@gmail.com

Lead Managers to the Issue

Axis Capital Limited
1st floor, Axis House,
C-2 Wadia International Centre
P.B. Marg, Worli, Mumbai- 400025
Telephone: +91 (22) 4325 2183
Facsimile: +91 (22) 4325 3000
Email ID: hudcotaxfree@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance ID: complaints@axiscap.in
Contact Person: Mr. Akash Aggarwal
Compliance Officer: Mr. M. Natarajan
SEBI Registration Number: INM000012029

Edelweiss Financial Services Limited*
Edelweiss House, Off CST Road,
Kalina, Mumbai-400098
Telephone: +91 (22) 4086 3535
Facsimile: +91 (22) 4086 3610
Email ID: hudcotfbonds@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance ID: customerservice.mb@edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Registration Number: INM0000010650

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg, Churchgate
Mumbai 400020, India
Telephone: +91 (22) 2288 2460/ 70
Facsimile: +91 (22) 2282 6580
Email ID: hudco.bonds2015@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Ms. Payal Kulkarni/ Mr. Amit Joshi
Compliance Officer: Mr. Subir Saha

SEBI Registration No.: INM000011179

SBI Capital Markets Limited
202, Maker Tower E,
Cuffe Parade, Mumbai 400 005
Telephone: +91 (22) 2217 8300
Facsimile: +91 (22) 2218 8332
Email ID: hudcobonds2015@sbicaps.com
Investor Grievance Email: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mr. Aditya Deshpande
Compliance Officer: Mr. Bhaskar Chakraborty
SEBI Registration No.: INM000003531

RR Investors Capital Services Private Limited
47, M.M. Road,
Rani Jhansi Marg, Jhandewalan
New Delhi – 110 055
Telephone: +91 (11) 2363 6362/63
Facsimile: +91 (11) 2363 6746
Email ID: hudcotaxfree2015@rrfcl.com
Website: www.rrfinance.com/www.rrfcl.com
Investor Grievance ID: investors@rrfcl.com
Contact Person: Mr. Anurag Awasthi
Compliance Officer: Mr. Ravi Kant Goyal
SEBI Registration Number: INM000007508

Note:

- *Edelweiss Financial Services Limited, along with other Merchant Bankers, have filed an Appeal before Securities Appellate Tribunal against the Adjudicating order dated November 28, 2014 passed by SEBI in the matter of IPO of CARE Limited.*

- *Edelweiss Financial Services Limited, along with other Merchant Bankers, have received a Show Cause Notice dated September 20, 2013 issued by SEBI in the matter of IPO of Electrosteel Steels Limited.*

Consortium Members

Edelweiss Securities Limited
2nd Floor, M.B. Towers
Plot no. 5, Road No. 2
Banjara Hills, Hyderabad 500 034
Telephone: +91 (22) 6747 1342
Facsimile: + 91 (22) 6747 1347
E-mail ID: hudcotfbonds@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance ID: customerservice.mb@edelweissfin.com
Contact Person: Mr. Prakash Boricha
SEBI Registration Number: INB011193332 (BSE)/ INB231193310 (NSE)/ INB261193396 (MCX-SX)

RR Equity Brokers Private Limited
47, M. M. Road, Rani Jhansi Marg
Jhandewalan, New Delhi – 110 055
Telephone: +91 (11) 2363 6362/63
Facimile: +91 (11) 2363 6746
Email ID: jeetesh@rrfcl.com
Website: www.rrfinance.com/ www.rrfcl.com
Investor Grievance ID: investors@rrfcl.com
Contact Person: Mr. Jeetesh Kumar
SEBI Registration No.: INB011219632 (BSE) and INB231219636 (NSE)

SBICAP Securites Limited
191, Makers Towers, E Wing, 19th Floor,
Cuffe Parade, Mumbai - 400005
Telephone: +91 (22) 4227 3446
Facimile: +91 (22) 4227 3390
Email ID: archana.dedhia@sbicapsec.com
Website: www.sbismart.com
Investor Grievance ID: complaints@sbicapssec.com
Contact Person: Ms. Archana Dedhia
SEBI Registration No.: INB11053031 (BSE) and INB231052938 (NSE)

Debenture Trustee

SBICAP Trustee Company Limited
Apeejay House, 6th Floor
3, Dinshaw Wacha Road
Churchgate, Mumbai - 400020
Telephone: +91 (22) 4302 5555
Facsimile: +91 (22) 2204 0465
Email ID: corporate@sbicaptrustee.com
Investor Grievance ID: investor.cell@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact person: Mr. Ajit Joshi (Company Secretary)
SEBI Registration No: IND000000536

The Debenture Trustee has consented to act as a debenture trustee in relation to the Issue under regulation 4(4) of the SEBI Debt Regulation. See Annexure C for the consent letter of the Debenture Trustee.

Registrar to the Issue

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda
Hyderabad 500 032, India
Telephone: +91 (40) 6716 2222
Facsimile +91 (40) 2343 1551
Email ID: hudco.bonds@karvy.com
Website: www.karisma.karvy.com
Investor Grievance ID: einward.ris@karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditors

Dhawan & Co., Chartered Accountants
312, Wegmans House,
21, Veer Savarkar Block,
Shakarpur, Vikas Marg, New Delhi – 110 092
Telephone: +91 (11) 2201 7651/ +91 (11) 2202 5360
Facsimile: +91 (11) 4244 5310
Email ID: gogia.sunil@gmail.com/ dpa111@hotmail.com
Firm registration no.: 002864N
Auditors since: July 29, 2013

Legal Counsel to the Company as to Indian law

Dhir & Dhir Associates
D-55, Defence Colony, New Delhi – 110 024
Telephone: +91 (11) 4241 0000
Facsimile: +91 (11) 4241 0091
E-mail ID: hudcobond2015@dhirassociates.com
Contact Person: Mr. Girish Rawat
Website: www.dhirassociates.com

Bankers to the Company

IDBI Bank Limited
4th Floor, Indian Red Cross Building
1 Red Cross Road
New Delhi 110001
Telephone: +91 (11) 6628 1122
Facsimile: +91 (11) 2375 2733
Email ID: am.ingle@idbi.co.in
Contact person: Mr. Ajit M. Ingle (GM-TBG)
Website: www.idbi.com

Axis Bank Limited
148, Statesman House
Barakhamba Road
New Delhi 110001
Telephone: +91 95282800071/ 9582800072
Facsimile: +91 (11) 2331 1054
Email ID: newdelhi.operationshead@axisbank.com/ parminder.ahuja@axisbank.com/aviral.mathur@axisbank.com
Contact person: Mr. Parminder Singh Ahuja/ Mr. Aviral Mathur
Website: www.axisbank.com

Vijaya Bank
D-65, Hauz Khas
New Delhi 110016
Telephone: +91 (11) 2699614/26963242
Facsimile: +91 (11) 2696 1524
Email ID: vb6015@vijayabank.co.in
Contact person: Mr. Pankaj Sureka
Website: www.vijayabank.com

ICICI Bank Limited
A-9, Phelps Building
Connaught Place, New Delhi – 110 001
Telephone: +91 (11) 4308 4064
Facsimile: +91 (11) 66310410
Email ID: rakson.vij@icicibank.com
Contact person: Mr. Rakson Vij
Website: www.icicibank.com

IndusInd Bank Limited
Cash Management Services, Solitaire Park
No. 1001, Building no. 10, Ground Floor
Guru Hargovindji Marg
Andheri East, Mumbai 400 093
Telephone: +91 (22) 6772 3901 - 3917
Facsimile ID: +91 (22) 6772 3998
Email: sanjay.vasarkar@indusind.com
Contact person: Mr. Sanjay Vasarkar
Website: www.indusind.com

Yes Bank Limited
48, Nyay Marg
Chanakyapuri
New Delhi – 110 021
Telephone: +91 (11) 6656 9097
Facsimile: +91 (11) 4168 0144
Email ID: Akshay.saxena@yesbank.in
Contact person: Mr. Akshat Saxena
Website: www.yesbank.in

Syndicate Bank
26-28, Khan Market, Lok Nayak Bhawan
New Delhi – 110 003
Telephone: +91 (11) 24611872, 9968309043
Facsimile: + 91 (11) 24616694
Email ID: br.9043@syndicatebank.co.in
Contact person: Mr. Anil Kumar Goyal
Website: www.syndicatebank.co.in

Union Bank of India
Motibagh Branch, Pallika Bhawan,
Sector-13, R.K. Puram, New Delhi- 110066
Telephone: + 91 (11) 2410 0083/ 26872621
Facsimile: + 91 (11) 2467 6843
Email ID: motibagh@unionbankofindia.com
Contact person: Mr. Vivek Kumar
Website: www.unionbankofindia.com

United Bank of India
Corporate Finance Branch
106-109, Ansal Tower
1st Floor, 38 Nehru Place
New Delhi – 110 019

State Bank of Hyderabad
74, Janpath, Connaught Place
New Delhi – 110 001
Telephone: +91 (11) 2332 0574/ 23715767/ 23722961
Facsimile: +91 (11) 23313683

Telephone: +91 (11) 41674323/ 26410014
Facsimile: +91 (11) 2641 8981
Email ID: bmzcd@unitedbank.co.in
Contact person: Mr. Sanjay Koolwal
Website: www.unitedbankofindia.com

Email ID: sbhkgmarg@yahoo.co.in
Contact person: Mr. K.D Priyadarshi
Website: www.sbhyd.com

Indian Bank
G-41, Connaught Place
New Delhi – 100 001
Telephone: +91 (11) 47340972
Facsimile: +91 (11) 4734 0971
Email ID: newdelhimain@indianbank.co.in
Contact person: Mr. Mahesh Kumar Bajaj
Website: www.indian-bank.com

Bank of Baroda
Corporate Financial Services Branch
1st Floor, 16, Sansad Marg, New Delhi- 110001
Telephone: +91 (11) 23441551/ 23441555, 23441556
Facsimile: +91 (11) 23711267
Email ID: indel@bankofbaroda.com
Contact person: Mr. A.K. Jha
Website: www.bankofbaroda.com

Canara Bank
2nd Floor, World Trade Tower,
Barakhamba Lane, New Delhi
Telephone: +91 (11) 23413381/ 23413250
Facsimile: +91 (11) 2341590
Email ID: dgmcb1942@canarabank.com
Contact person: Mr. H.K. Yadav
Website: www.canarabank.com

Deutsche Bank AG
4th Floor, DLF Square, Jacaranda Marg
DLF Phase II, Gurgaon- 122002
Telephone: +91 (124) 7122505
Facsimile: +91 (124) 2560281
Email ID: sumeet.chhitwal@db.com
Contact person: Mr. Sumeet Chhitwal
Website: www.deutschebank.co.in

HDFC Bank
HDFC Bank Limited,
FIG- OPS Department,
HDFC Bank Limited, Lodha- I,
Think Techno Campus, O-3 Level,
Mumbai- 400042
Telephone: +91 (22) 30752927
Facsimile: +91 (22) 257998201
Email ID: uday.dixit@hdfcbank.com
Contact person: Mr. Uday Dixit
Website: www.hdfcbank.com

Punjab National Bank
Large Corporate Branch,
Tolstoy House, Tolstoy Marg,
New Delhi- 110 001
Telephone: +91 (11) 23752604
Facsimile: +91 (11) 41522135
Email ID: bo2164@pnb.co.in
Contact person: Mr. S.K. Singh
Website: www.pnbindia.in

State Bank of India
CAG II, 4th- 5th Floor, Redfort Capital
Parvsnath Towers, Bhai Veer Singh Marg,
Gole Market, New Delhi- 110001
Telephone: +91 (11) 23475503
Facsimile: +91 (11) 23475580
Email ID: rmamt3.cag2del@sbi.co.in
Contact person: Mr. T.C. Meenia
Website: www.sbi.co.in

UCO Bank
Flagship Corporate Centre
5, Parliament Street, New Delhi- 110001
Telephone: +91 (11) 23731260
Facsimile: +91 (11) 23710015
Email ID: ndlfcc@ucobank.co.in
Contact person: Mr. S.C. Jain
Website: www.ucobank.com

Escrow Collection Banks / Bankers to the Issue

Escrow Collection Banks/ Bankers to the Issue as specified in the respective relevant Tranche Prospectus.

Refund Banks

Refund Bank(s) for the Issue as specified in the respective Tranche Prospectus.

Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.

Credit Rating Agencies

Credit Analysis & Research Limited
13rd Floor, E-1, Videocon Tower,
Jhandewalan Extension, New Delhi – 110 055
Telephone: +91 (11) 4533 3200
Facsimile: +91 (11) 4533 3238
Email ID: guarav.dixit@careratings.com
Website: http://www.careratings.com
Contact person: Ms. Guarav Dixit
SEBI Registration No.: IN/CRA/004/1999

Indian Ratings and Research Private Limited
Wockhardt Towers, 4th Floor
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Telephone: +91 (22) 4000 1700
Facsimile: +91 (22) 400 1701
Email ID: shrikant.dev@indianratings.co.in
Contact person: Shrikant Dev
Website: www.indianratings.co.in
SEBI Registration No.: IN/CRA/002/1999

Credit Rating and Rationale

CARE has assigned a rating of 'CARE AAA' to the Bonds vide letter dated October 19, 2015. IRRPL has assigned a rating of 'IND AAA' (Outlook: Stable) to the Bonds vide letter dated October 19, 2015. For details in relation to the rationale for the credit rating, please refer to the Annexure B to this Draft Shelf Prospectus of this Draft Shelf Prospectus.

Expert Opinion

Except for the letters dated October 19, 2015 issued by CARE and IRRPL, respectively, in respect of the credit rating for the Bonds, and report dated October 26, 2015 related to Limited Review Financial Statements issued by our Statutory Auditors, the report on Reformatted Audited Financial Statements dated October 26, 2015 and the statement of tax benefits dated October 26, 2015 issued by our Statutory Auditors, our Company has not obtained any expert opinions in respect of the Issue.

Impersonation

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub - section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Please see "***Issue Procedure- Impersonation***" on page 168 of this Draft Shelf Prospectus.

Minimum Subscription

In terms of the SEBI Circular no. CIR/IMD/DF/12/ 2014 dated June 17, 2014, minimum subscription limit is not applicable for issuers issuing tax free bonds, as specified by CBDT. Further, under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise. Our Company has decided to set no minimum subscription for the Issue.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**ISSUE CLOSES ON**
As specified in the Tranche Prospectus(es)	As specified in the Tranche Prospectus(es)

* *The Issue shall remain open for subscription from 10:00 a.m. till 5:00 p.m. (Indian Standard Time) for the period mentioned above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof, or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement/s in at least one leading national daily newspaper.*

CAPITAL STRUCTURE

Details of equity share capital

The following table lays down details of our authorised, issued, subscribed and paid up Equity Share capital as on September 30, 2015.

Particulars	Aggregate value (Rs. *in crores)*
Authorised share capital	
25,000,000 Equity Shares of Rs. 1,000 each	2,500.00
Issued, subscribed and paid up Equity Share capital	
20,019,000 Equity Shares of Rs. 100 each	2,001.90
Securities premium account	NIL

Details of change in capital structure as on September 30, 2015, for the last five years

There have been no changes in our capital structure in the last five years.

Notes to capital structure

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.

2. *Shareholding pattern of our Company and details of top ten shareholders.*

The following is the shareholding pattern and list of the Equity Shareholders as well as the top ten Equity Shareholders of our Company, as on September 30, 2015.

Sr. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Total shareholding as a percentage of the total number of Equity Shares
1.	The President of India	2,00,18,993	2,00,18,993	99.99%
2.	Mr. Rajiv Ranjan Mishra*	1	1	Negligible
3.	Ms. Jhanja Tripathy*	1	1	Negligible
4.	Mr. R.S Singh*	1	1	Negligible
5.	Mr. T.K. Majumdar*	1	1	Negligible
6.	Ms. Archana Mittal *	1	1	Negligible
7.	Mr. SB Sinha*	1	1	Negligible
8.	Mr. Angna Ram*	1	1	Negligible
	Total	**2,00,19,000**	**2,00,19,000**	**100.00%**

* *Holders from serial no. 2 to 8 are Nominee shareholders (including two Govt. nominee directors) on behalf of the President of India.*

3. Details of Promoter Holding in the Company as on September 30, 2015

Sr. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	No. of Equity Shares pledged	Percentage of Equity Shares pledged	Total shareholding as a percentage of the total number of Equity Shares
1.	The President of India	2,00,18,993	2,00,18,993	Nil	Nil	99.99%
2.	Mr. Rajiv Ranjan Mishra*	1	1	Nil	Nil	Negligible
3.	Ms. Jhanja Tripathy*	1	1	Nil	Nil	Negligible
4.	Mr. R.S Singh*	1	1	Nil	Nil	Negligible
5.	Mr. T.K. Majumdar*	1	1	Nil	Nil	Negligible

Sr. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	No. of Equity Shares pledged	Percentage of Equity Shares pledged	Total shareholding as a percentage of the total number of Equity Shares
6.	Ms. Archana Mittal*	1	1	Nil	Nil	Negligible
7.	Mr. SB Sinha*	1	1	Nil	Nil	Negligible
8.	Mr. Angna Ram*	1	1	Nil	Nil	Negligible
	Total	**2,00,19,000**	**2,00,19,000**			**100.00%**

***Holders from serial no. 2 to 8 are Nominee shareholders (including two Govt. nominee directors) on behalf of the President of India.*

4. Our Company has not undertaken any acquisition or amalgamation in the last one year.

5. Our Company has not undergone any reorganisation or reconstruction in the last one year.

6. *Long term debt to equity ratio:*

The long term debt to equity ratio of our Company prior to this Issue is based on a total long term outstanding debt of Rs. 20,652.28 crores, and shareholders' funds, amounting to Rs. 7,654. 65 crores which was 2.70 times as on March 31, 2015. The long term debt to equity ratio post the Issue (considering full subscription of Rs. 5,000 crores, being the amount allocated by CBDT for our Company to raise through the Bonds), based on a total long term outstanding debt of Rs. 25,652.28 crores and shareholders' funds of Rs. 7,654. 65 crores, will be 3.35 times, the details of which are as under:

(Rs. in crores)

Particulars	Prior to the Issue (as on March 31, 2015)	Post-Issue**
Debt		
Short term debt	2815.37	2815.37
Long term debt	20,652.28	25,652.28
Total debt	23,467.65	28,467.65
Shareholder's Fund		
Share capital	2,001.90	2,001.90
Reserves and surplus excluding CSR, Sustainable development welfare reserve and Capital (KFW) Reserve	5,652. 75	5,652. 75
Total shareholders' funds	7,654. 65	7,654. 65
Long term debt/ equity	2.70	3.35
Total debt/ equity	3.07	3.72

***Assuming that entire amount allocated through the CDBT Notification being Rs. 5,000.00 crore (including Rs. 151 crore, Rs. 108.50 crore and Rs. 1029 crore raised by way of private placement of tax free bonds allotted on July 29, 2015, September 30, 2015 and October 7, 2015, respectively) will be fully subscribed and there is no change in our shareholders' funds, long and short term debt subsequent to March 31, 2015.*

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

8. Our Company has not issued any Equity Shares for consideration other than cash or any ESOP scheme.

9. For details of the outstanding borrowings of our Company, please see the section titled "***Financial Indebtedness***" on page 90 of this Draft Shelf Prospectus.

10. None of our Directors nor their relatives, have purchased, sold or financed the purchase by any other person, directly or indirectly, any securities of the Company during the past 6 (six) months immediately preceding the date of this Draft Shelf Prospectus.

OBJECTS OF THE ISSUE

Issue Proceeds

The CBDT has, by the CBDT Notification, authorised our Company to raise the Bonds aggregating to Rs. 5,000.00 crores* out of which our Company has already raised an amount of Rs. 151.00 crores, Rs. 1029.00 crore and Rs. 108.50 Crore on a private placement basis through Private Plcement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Our Company proposes to raise the balance amount of Rs. 3711.50 crores through a public issue of the Bonds in one or more tranches prior to March 31, 2016.

The Net Issue Proceeds as raised through each of the Tranche are proposed to be utilised to finance the projects and/activities mainly relating to housing for EWS/ LIG categories during the current year and/over the years, and for such other purposes as may be permitted by Ministry of Finance, Government of India or any other authority, from time to time.

***** ***In terms of the CBDT Notification, our Company has raised Rs. 151.00 crores, Rs. 1029.00 crore and Rs. 108.50 Crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.***

The main objects clause of the Memorandum of Association permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through the Issue. Further, in accordance with the SEBI Debt Regulations, our Company is required to not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company or any subsidiary of our Company. Our Company does not have any subsidiary. Further, our Company is a public sector enterprise and as such, there are no identifiable group companies or companies under the same management.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, among other things, by way of a lease, of any property.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, Directors, Key Managerial Personnel or companies promoted by our Promoters, except in the usual course of business.

Issue proceeds from Bonds allotted to banks will not be utilised for any purpose which may be in contravention of RBI guidelines on bank financing to HFCs, including those relating to classification as capital market exposure or any other sectors that are prohibited by RBI.

The Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby the Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

We shall utilise the Issue proceeds only on execution of documents for creation of security as stated in this Draft Shelf Prospectus under "***Terms of the Issue***" on page 128 of this Draft Shelf Prospectus and on the listing of Bonds.

Issue expenses

A portion of the Issue proceeds will be used to meet Issue expenses. The following are the estimated Issue expenses, which shall be finalized at the time of filing of the Tranche Prospectus:

Particulars	Amount (Rs. in Crore)	As percentage of Issue proceeds (in %)	As percentage of total expenses of the Issue (in %)
Fees payable to Intermediaries			
Lead Managers	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Debenture Trustee	[●]	[●]	[●]
SCSBs	[●]	[●]	[●]
Advertising and marketing	[●]	[●]	[●]
Selling and Brokerage commission	[●]	[●]	[●]
Other Miscellaneous Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

The Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Consortium Members/ sub-Consortium Members/ brokers/ sub-brokers/ Trading Members and submitted to SCSBs for blocking the application amount of the Applicant, at the rate of Rs. [●] per Application Form procured, as finalised by the Company. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

Interim use of Proceeds

Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in deposits with banks or deploy the funds in the manner as may be approved by the Board.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors of our Company shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2016, the utilization of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Further, in accordance with the Debt Listing Agreement, our Company will furnish to the BSE on a half yearly basis, a statement indicating material deviations, if any, in the use of Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results. We shall utilize the proceeds of the Issue only upon execution of the documents for creation of security as stated in this Draft Shelf Prospectus in the section titled "***Terms of the Issue***" on page 128 of this Draft Shelf Prospectus and upon the listing of the Bonds.

Benefit / interest accruing to Promoters/Directors out of the object of the issue

Neither the promoter nor the directors of our company are interested in the objects of the issue.

Variation in terms of contract or objects

Our company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of an objects for which the Draft Shelf Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

STATEMENT OF TAX BENEFITS

Under the current tax laws, the following possible tax benefits, inter alia, will be available to the Bond holders. This is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Bonds, under the current tax laws presently in force in India. The benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the laws or enactments described in this section. The Bondholders are advised to consider in their own case the tax implications in respect of subscription to the Bonds after consulting their own tax advisors, as alternate views or interpretations are possible, and tax benefits may be considered differently by the Indian Income Tax Authorities, the Government, Tribunals or Courts. We are not liable to the Bondholders in any manner for placing reliance upon the contents of this statement of tax benefits.

A. INCOME TAX

1. Interest from Bonds do not form part of Total Income.

a) In exercise of power conferred by item (h) of sub clause (iv) of clause (15) of Section 10 of the Income Tax Act, 1961 the Central Government vide notification no 59/2015.[F.No.178/27/2015- ITA.1] dated 6th July, 2015 authorizes the Company to issue during the Financial year 2015 - 16, tax free, secured, redeemable, non-convertible bonds for the aggregate amount of ₹ 5000 crores subject to the other following conditions that –

   i) Retail Individual Investors, Qualified Institutional Buyers, Corporates (including statutory corporations), trusts, partnership firms, Limited Liability Partnerships, co-operative banks, regional rural banks and other legal entities, subject to compliance with their respective Acts and High Networth Individuals shall be eligible to subscribe to the bonds.
      - Qualified Institutional Buyers shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
      - Retail individual investors means those individual investors, Hindu Undivided Family (through Karta), and Non Resident Indians (NRIs), on repatriation as well as non-repatriation basis, applying for upto rupees ten lakh in each issue and individual investors investing more than rupees ten lakh shall be classified as High Net worth Individuals.

   ii) It shall be mandatory for the subscribers to furnish their Permanent Account Number to the issuer.

   iii) The holder of such bonds must register his or her name and the holding with the issuer.

   iv) The tenure of the bonds shall be ten, fifteen or twenty years.

   v) There shall be ceiling on the coupon rates based on the reference G-sec rate. The ceiling coupon rate for AAA rated issuers shall be reference G-sec rate less 55bps in case of Retail Institutional Investors and G-sec rate minus 80 bps in case of Qualified Institutional Buyers, Corporates and High Net worth Individuals. The interest shall be payable annually.

   vi) The higher rate of interest, applicable to retail investors, shall not be available in case the bonds are transferred by Retail individual investors to non –retail investors.

b) Section 10(15)(iv)(h) of Income Tax Act, 1961 provides that in computing the total income of a previous year of any person, interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company, as the Central Government may, by notification in the Official Gazette, specify in this behalf shall not be included;

   Further as per Sec 14A (1), no deduction shall be allowed in respect of expenditure incurred by the assesse in relation to said interest, being exempt.

   Section 2(36A) of the IT Act defines "Public Sector Company" as any corporation established by or under any state Central, State, Provincial Act or a Government company as defined under Section 2(45) of the Companies Act, 2013, Housing and Urban Development Corporation Limited is a public sector company as it is a Government company as defined under Section 2(45) of the Companies Act, 2013.

c) TDS: Since the interest Income on these bonds is exempt, no Tax Deduction at Source is required. However, interest on application money would be liable for TDS as well as Tax as per present tax rules..

d) Issue expense and brokerage:

   (i) In the case of private placement, the total issue expense shall not exceed 0.25 per cent of the issue size and in case of public issue, it shall not exceed 0.65 per cent of the issue-size.
   (ii) The issue expense would include all expenses relating to the issue like brokerage, advertisement, printing, registration etc.

2. CAPITAL GAIN

a) Under Section 2 (29A) of the Income Tax Act, 1961 read with section 2 (42A) of the Income Tax Act, 1961, a listed Bond is treated as a Long Term Capital Asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   Under Section 112 of the Income Tax Act, 1961, capital gains arising on the transfer of Long Term Capital Assets being listed securities are subject to tax at the rate of 20% of the Capital Gains calculated after reducing indexed cost of acquisition or 10% of the capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the Bonds from the sale consideration.

   However as per third proviso to Section 48 of Income Tax Act, 1961 benefits of indexation of cost of acquisition under second proviso of Section 48 of Income Tax Act, 1961 is not available in case of bonds and debentures, except capital indexed bonds. Thus, Long Term Capital Gain Tax can be considered at a rate of 10% on listed bonds without indexation.

   Securities Transaction Tax ("**STT**") is a tax being levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. **However, STT is not applicable on transactions in the Bonds.**

   In case of an individual or Hindu Undivided Family ("**HUF**"), being a resident, where the total income as reduced by the long term capital gains is below the maximum amount not chargeable to tax like for Assessment Year 2016-17 Rs.2,50,000 in case of resident citizens of less than 60 years of age, Rs.3,00,000 in case of resident senior citizens of 60 or more years of age (on any day of the previous year) and Rs.500,000 in case of resident super senior citizens of 80 years or more of age (on any day of the previous year), the long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and at the tax on the balance of such long-term capital gains shall be computed at the rate of ten per cent in accordance with and the proviso to sub-section (1) of section 112 of the Income Tax Act, 1961 read with CBDT Circular 721 dated September 13, 1995.

   The applicable surcharge shall depend upon the taxable income of assess as per the current rate in force.

   Further a 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge wherever applicable) is payable by all categories of tax payers.

b) Short-term capital gains on the transfer of listed bonds, where Bonds are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provision of the Income Tax Act, 1961.

   The provisions related to minimum amount not chargeable to tax, surcharge and education cess described at para (a) above would also apply to such short-term capital gains.

c) Under Section 54 EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising to the Bondholders on transfer of their Bonds shall not be chargeable to tax to the extent such capital gains are invested in certain notified Bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified Bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the Bonds are transferred or converted into money. Where the benefit of Section 54 EC of the Income Tax Act, 1961 has been availed on investments in the notified Bonds, a deduction from the income with reference to such cost shall not be allowed under Section 80 C of the Income Tax Act, 1961.

For purpose of availing exemption from tax on capital gains, the investment made in the notified Bonds by an assessee during the financial year in which the original asset is transferred and in the subsequent financial year cannot exceed Rs. 50.00 lakh.

d) As per the provisions of Section 54F of the Income Tax Act, 1961 and subject to conditions specified therein, any long-term capital gains (not being residential house) arising to a Bondholder who is an individual or HUF, are exempt from capital gains tax if the entire net sales considerations is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of one residential house in India (hereafter referred to the new asset) within three years from the date of transfer. If only a part of such net sales consideration is invested within the prescribed period in the new asset, then such gains would be chargeable to tax on a proportionate basis.

   Provided that nothing contained above shall apply where the said Bondholder owns more than one residential house other than the new asset, on the date of transfer of such original asset or purchase any residential house, other than the new asset, within a period of one year after the date of transfer of such original asset or constructs any residential house, other than the new asset, within a period of three years after the date of transfer of such original asset and the income from such residential house other than the one residential house owned on the date of transfer of such original asset, is chargeable under the head Income from House Property. If the new asset in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred. Similarly, if the Bondholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new asset referred above), then the original exemption will be taxed as capital gains in the year in which such residential house is purchased or constructed.

e) Under Section 195 of Income Tax Act, income tax shall be deducted from any sum payable to Non-Residents on long term capital gain or short term capital gain arising on sale and purchase of Bonds at the rate specified in the Finance Act of the relevant year or the rate or rates of the income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, as the case may be. In case the tax is deducted at the rate as specified under the relevant agreement entered into by the Central Government under section 90 then it shall be mandatory for the subscribers of such Bonds to furnish their Tax Residency Certificate (TRC) and Form 10F in format as prescribed by CBDT failing which income tax shall be deducted at the rate specified in the Finance Act of the relevant year.

f) The income by way of short term capital gains or long term capital gains (not covered under Section 10(38) of the Act) realized by Foreign Institutional Investors on sale of security in the Company would be taxed at the following rates as per Section 115AD of the Income Tax Act, 1961:

   - Short term capital gains - 30% (plus applicable surcharge and education cess); and
   - Long term capital gains - 10% without cost of indexation (plus applicable surcharge and education cess)

   As per section 90(2) of the Income Tax Act, 1961, the provisions of the Act, would not prevail over the provision of the tax treaty applicable to the non-resident to the extent that such tax treaty provisions are more beneficial to the non resident. Thus, a non resident can opt to be governed by the beneficial provisions of an applicable tax treaty. However, to avail the above mentioned benefit of the applicable tax treaty the Foreign Institutional Investors has to mandatorily furnish its Tax Residency Certificate (TRC) and Form 10F in format as prescribed by CBDT failing which the benefit of applicable tax treaty would not be extended.

g) However under section 196D(2), no deduction of tax shall be made from any income, by way of capital gain arising from the transfer of securities referred to in Section 115AD, payable to Foreign Institutional Investors.

3. Bonds held as Stock in Trade

In case the Bonds are held as stock in trade, the income on transfer of the Bonds would be taxed as business income or loss in accordance with and subject to the provisions of the Income Tax Act, 1961.

4. Taxation on gift

As per section 56(2)(vii) (c) of the Income Tax Act, 1961 in case where individual or HUF receives Bonds from any person on or after 1st October, 2009 –

A. without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such bonds/debentures or;

B. for a consideration which is less than the aggregate fair market value of the Bonds by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such bonds/debentures as exceeds such consideration;

shall be taxable as the income of the recipient.

Provided further that this clause shall not apply to any sum of money or any property received

a) from any relative as defined in the Explanation to this Section; or
b) on the occasion of the marriage of the individual; or
c) under a will or by way of inheritance; or
d) in contemplation of death of the payer or donor, as the case may be; or
e) from any local authority as defined in the Explanation to clause (20) of section 10; or
f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trusts or institution referred to in clause (23C) of section 10; or
g) from any trusts or institution registered under section 12AA.

B. WEALTH TAX

Wealth Tax has been abolished w.e.f. F.Y. 2015-16 (A.Y. 2016-17).

C. PROPOSALS MADE IN DIRECT TAX CODE

The Hon'ble Finance Minister has presented the Direct Tax Code Bill, 2010 ("DTC Bill") on August 30, 2010. The DTC Bill is likely to be presented before the Indian Parliament in future. Accordingly, it is currently unclear what effect the Direct Tax Code would have on the investors.

For Dhawan & Co.,
Chartered Accountants
(Firm registration No. 002864N)

(Sunil Gogia)
(Partner)
Membership No. 073740

Place of Signature: New Delhi
Dated: Oct 26, 2015

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry data used throughout this section is derived from publicly available sources including the RBI and the GoI, and "Report on Indian Urban Infrastructure and Services" ("**RIUIS**") by the High Powered Expert Committee set up by the Ministry of Urban Development"*

Such data or their presentation in this chapter may be subject to approximations, rounding off or reorganization. While industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and neither we nor any person connected with the Issue has independently verified the information provided in this chapter. The extent to which you place reliance on the information provided in this chapter should accordingly be limited.

Overview of the Indian Economy

The growth rate of Gross Domestic Product (GDP) at constant (2011-12) market prices is estimated at 7.3 percent in 2014-15 (provisional estimates), as compared to 6.9 per cent and 5.1 per cent in 2013-14 and 2012-13 respectively. The growth rate of quarterly GDP at constant market prices for all four quarters of 2014-15 is estimated at 6.7 per cent (Q1), 8.4 per cent (Q2), 6.6 per cent (Q3) and 7.5 per cent (Q4), compared to the corresponding rates of 7.0 per cent (Q1), 7.5 per cent (Q2) , 6.4 per cent (Q3) and 6.7 per cent (Q4) in 2013-14 *(Monthly Economic Report June 2015, Ministry of Finance, GoI)***.**

The Index of Industrial Production (IIP) for the month of May 2015 registered 2.7% growth compared to 5.6% in May 2014. The cumulative growth for the period April-May 2015-16 stands at 3.0% compared to 4.6% during same period in 2014-15. *(Press Release, July 10, 2015 Ministry Of Statistics And Programme Implementation, Central Statistics Office, GoI).*

Exports and imports in US$ terms declined by 15.8% and 13.4% respectively in June 2015 over the corresponding period of previous year *(Monthly Economic Report June 2015, Ministry of Finance, GoI)***.** Weak global demand conditions restrained merchandise exports. The decline in exports in Q1 of 2015-16, in terms of both volume and value, was the steepest since Q2 of 2009-10. The sharp fall in international commodity prices - especially crude oil – led to compressed import payments, helping to narrow the trade deficit. Headline consumer price index (CPI) inflation rose for the second successive month in June 2015 to a nine-month high of 5.4% *(Third Bi-monthly Monetary Policy Statement, 2015-16, RBI & Press release on CPI, MoS&PI dated 13th July 2015)***.**

In its second monetary policy review during 2015-16 held on 3rd June 2015, RBI has reduced bench mark repo rate from 7.50 percent to 7.25 percent. In its third monetary policy review on 4th August 2015, RBI has kept the policy rates unchanged.

Trend of Urbanisation

As per Census estimates of the Government of India, urban population of India is likely to grow from 377.1 million in 2011, which is 31.16% of the country's population to around 815 million by 2050, representing around 50 per cent urbanization level. This is still low compared to other developing countries - like 54% in China ,53% in Indonesia, 79% in Mexico and 85% in Brazil for the year 2014. (*Source: World Urbanisation Prospects, 2014, United Nations*).

Urbanisation has shown significant positive linkages with economic growth. In1950-51, the contribution of urban sector GDP of India was only 29%, which increased to 47% in 1980-81 and 62%-63% in 2009-10 and is likely to be 75% by 2021 *(Report of the Steering Committee on Urban Development for 11th Five Year Plan :2007-12)*. India is urbanising rapidly and in the coming decades, the urban sector will play a critical role in the structural transformation of the Indian economy.

Housing and Urban Infrastructure Sector in India

Real estate and ownership of dwelling constituted 7.8% of India's GDP in 2013-14. In recent years both domestic and global slowdown has affected this sector with growth decelerating from 7.6% in 2012-13 to 6% in 2013-14 *(Economic Survey 2014-15)*.

Housing is a basic human need like food and clothing. Housing has been rightly termed as an "Engine of Equitable and Balanced growth for the country" as it has a direct impact on income and employment generation. It has various forward and backward linkages and is linked to a host of industries and vocations *(NHB: Report on Trend and Progress of Housing in India, 2013).*

Housing sector has large and strong multiplier effects on the economy. In India, housing sector is the fourth largest employment generator, for every lakh invested in this sector, 2.69 new jobs are created in the economy. A unit increase in the final expenditure in the housing would generate additional income as high as three times the income generated within the housing sector in India itself. Every additional rupee invested in the housing sector will add Rs. 1.54 to the GDP and with household expenditure considered, this is going to add Rs. 2.84. *(Source: NCAER study supported by MoHUPA on "the impact of investments in the housing sector in India on GDP and employment in the Indian economy, April 2014").*

Housing Shortage and Requirement

According to the report of the Technical Group (TG-12) on Urban housing shortage constituted in the context of formulation of the Twelfth Five-Year Plan, housing shortage is estimated to be around 18.78 million. About 95.62% of such households are from EWS and low income groups (LIG). Amongst the LIG category a significant proportion of the shortage is on account of congestion in living condition. *(Source: Report of the Technical Group (TG-12) on Urban Housing Shortage, MoHUPA, GoI*). As per Government estimates urban housing shortage is expected to be around 20 million houses by 2022. To meet this shortage, an investment of Rs. 12 lakh crore would be required @ Rs. 6 lakh per house. *(Ebook, MoHUPA 2015)* .

Government Schemes for Housing

Housing for All by 2022

The Government on 25th June 2015 has launched 'Pradhan Mantri Awas Yojana' which aims to provide 'Housing for All' in urban areas during 2015-2022. The mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals:

- Slum redevelopment with private participation using land as a resource
- Promotion of Affordable Housing for weaker section through credit linked subsidy
- Affordable Housing in Partnership with Public & Private sectors
- Subsidy for beneficiary-led individual house construction

Under credit-linked beneficiaries of Economically Weaker section (EWS) and Low Income Group (LIG) seeking housing loans from Banks, Housing Finance Companies and other such institutions would be eligible for an interest subsidy upto loan amount of Rs. 6 lakh at the rate of 6.5 % for a tenure of 15 years or during tenure of loan whichever is lower. Under the Mission, HUDCO has been identified as one of the Central Nodal Agency (CNA) to channelize credit-linked subsidy to the lending institutions and for monitoring the progress of this component.

Schemes for Urban Development

Smart Cities Mission

The Smart Cities Mission's objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a light house to other aspiring cities. The Mission will cover 100 cities and its duration will be five years (FY2015-16 to FY2019- 20). The Smart City Mission will be operated as a Centrally Sponsored Scheme (CSS) and the Central Government proposes to give financial support to the Mission to the extent of Rs. 48,000.00 crores over five years i.e. on an average Rs. 100.00 crore per city per year. An equal amount, on a matching basis, will have to be contributed by the State/ULB; therefore, nearly Rupees one lakh crore of Government/ULB funds will be available for Smart Cities development.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

AMRUT's objective is to create infrastructure, to provide basic services to households and build amenities which will improve the quality of life of all - especially the poor and the disadvantaged. Under the mission 500 cities will be taken up having a population greater than one lakh. The Mission will be operated as a

Centrally Sponsored Scheme with a total outlay envisaged at Rs. 50,000.00 crore for five years from FY 2015-16 to FY 2019-20. The components of the AMRUT consist of capacity building, reform implementation, water supply, sewerage management, storm water drainage, urban transport and development of green spaces and parks.

Investment needs for Urban Infrastructure Development

The High Powered Expert Committee (HPEC), for estimating the investment requirement for urban infrastructure services, has estimated the fund requirement for the period from the Twelfth Five Year Plan to the Fifteenth Five Year Plan, i.e. 2012-31. The investment for urban infrastructure over the 20-year period has been estimated at Rs.39.2 lakh crore at 2009-10 prices. The sector-wise estimation is depicted is given below. Out of this Rs. 34.1 lakh crore is for asset creation, out of which the investment for the eight major sectors is Rs.31 lakh crore; Rs.4.1 lakh crore for renewal and redevelopment including slums; and Rs.1 lakh crore for capacity building.

Table 3: Urban Infrastructure Investment Requirement: 2012-31

(Rs. in crores)

Sectors	Investment Requirement
Urban Roads	1728941.00
Urban Transport	449426.00
Renewal & Redevelopment including Slums	408955.00
Water Supply	320908.00
Sewerage	242688.00
Storm Water Drains	191031.00
Capacity Building	101759.00
Traffic Support Infrastructure	97985.00
Solid Waste Management	48582.00
Street Lighting	18580.00
Other Sectors	309815.00
TOTAL	**3918670.00**

(Source: RIUIS)

OUR BUSINESS

Overview

We are a techno-financial institution engaged in the financing and promotion of housing and urban infrastructure projects throughout India. We were established on April 25, 1970 as a wholly owned 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 2(72) of the Companies Act, 2013 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. We believe our organization occupies a key position in the GoI'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 September 30, 2015, we have provided finance for over 16.29 million dwelling units and over 2065 urban infrastructure projects in India. Further, as on September 30, 2015, we have sanctioned loans of Rs. 59,334.00 crores for housing and Rs. 93,744.00 crores for urban infrastructure on a cumulative basis, of which Rs. 38,294.00 crores and Rs. 64,014.00 crores has been disbursed respectively.

As part of consultancy services, as on September 30, 2015 we had appraised 1,294 projects with a project cost of Rs. 26,517.31 crore under JNNURM/RAY.

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:

Certain Key Operational Indicators	Fiscal 2015	Fiscal 2014	Fiscal 2013
Loan book (loan outstanding including investment in bonds) (Rs. in crores)	33,134.86	30,011.82	26,606.52
Long term debt to equity ratio	2.70	2.88	2.60
CRAR (%)	51.21	27.85	23.24
Net NPA (%)	1.59%	2.52%	0.86%
Net interest margin* (Rs. in crores)	1,553.22	1,263.50	1,286.38

**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 and profit after tax for the last three Fiscals are as set forth below:

(Rs. in crores)

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Total income	3427.77	2993.85	2923.24
Profit after tax	777.63	726.34	700.56

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Key financial parameters

Provided below is a summary of our key financial parameters for the last three Fiscals.

(Rs. in crore except percentages)

Particulars	Fiscal 2015 (Audited)	Fiscal 2014 (Audited)	Fiscal 2013 (Audited)
Paid up equity share capital	2001.90	2001.90	2001.90
Net worth	7,781.17	7,123.33	6,513.96
Total Debt *(of which)*			
Non Current Maturities of Long Term Borrowing	18,315.14	18,868.21	13504.40
Short Term Borrowing*	2,815.37	980.71	2127. 99
Current Maturities of Long Term Borrowing	2,337.14	1,455.83	3235.12
Net Fixed Assets (Net Block including CWIP)	99.63	94.78	88.71
Non Current Assets	27,629.24	24,882.62	21914.47
Cash and Cash Equivalents	81.18	71.74	526.77
Current Investments	-	-	-
Current Assets	5,484.13	5,330.91	5034.68
Current Liabilities	6,178.14	3,386.67	6191.02
Assets under Management and Off Balance Sheet Assets	N.A	N.A	N.A
Interest Income	3,311.85	2,918.23	2830.99
Interest Expense	1,758.63	1,654.73	1544.61
Provisioning & Write-offs	273.80	9.18	135.39
Profit before tax (PBT)	1,180.94	1,094.35	1,061.70
Profit after tax (PAT)	777.63	726.34	700.56
Gross NPA (%)	6.25%	6.76%	5.69%
Net NPA (%)	1.59%	2.52%	0.83%
Tier I Capital Adequacy Ratio (%)	51.21%	27.85%	23.24%
Tier II Capital Adequacy Ratio (%)	0.00	0.00	0.00
Dividend declared/paid	100.01	100.01	150.00
Interest Coverage Ratio (%)- PBIT/Interest Expense	1.67	1.67	1.67

**Short term borrowings including Cash Credit/Overdraft facilities*
***Provisioning & write-offs relate to provision on loans, debtors and investments.*

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 owned 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 monies 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 from the GoI 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, a high credit rating, for long-term borrowing from each of CARE and IRRPL.

We have operated our financing business profitably since inception, including a profit after tax of Rs. 777.63 crores for Fiscal 2015. As on March 31, 2015, our Company had a net worth of Rs. 7,781.17 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), Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Kohima, 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 45 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 September 30, 2015, we have provided finance for over 16.29 million dwelling units and over 2,065 urban infrastructure projects across social infrastructure and area development, water supply, sewerage and drainage, roads and transport, power, emerging sector, commercial infrastructure and others. Further, as on September 30, 2015, we have sanctioned loans of Rs. 59,334.00 crores for housing and Rs. 93,744.00 crores for urban infrastructure on a cumulative basis, of which Rs. 38,294.00 crores and Rs. 64,014.00 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 fields. 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.

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 45 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 though consultancy.

Our business platforms

Housing finance

We finance dwelling units in the urban and the rural areas ("Housing Finance"). As on March 31, 2015, we have sanctioned Housing Finance of Rs. 54,098.00 crore, which is 36.49 % of our total financing activities. Income from Housing Finance consists of Rs. 841.67 crore for the Fiscal 2015, which is 24.55 % 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. 1,00,000.00 per annum or less fall into the EWS Housing category and families with household income from Rs. 1,00,000.00 per annum.to Rs. 2,00,000.00 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%-150% of the loan outstanding at any given point of time depending upon the type of borrower.

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

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

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Sanctioned amount			
Social housing	3,977.22 for 4,01,581 dwelling units	6,266.60 for 14,11,962 dwelling units	2,952.43 for 4,25,295 dwelling units
Residential real estate	3,177. 97 for 82,446 dwelling units	3,310.91 for 22,058 dwelling units and others*	4,291.37 for 9, 131 dwelling units and others*
Hudco Niwas	514.04 for 105 dwelling units	65.58 for 144 dwelling units	393.37 for 4,924 dwelling units
Total	***7,669.25 for 4,84,128 dwelling units and others****	***9,643.09 for 14,34,102 dwelling units and others****	***7,637.17 for 4,39,286 dwelling units and others****
Disbursed amount			
Social housing	2,591.99	2,109.79	930.86
Residential real estate	474.98	428.88	347.76
Hudco Niwas	8.76	297.89	106.16
Total	***3,075.73***	***2,836.56***	***1,384.78***

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

The outstanding amount for social housing, residential real estate and Hudco Niwas as on March 31, 2015 is Rs. 6,221.68 crore, Rs. 2,561. 22 crore and Rs. 378.52 crore respectively.

Urban infrastructure finance

We finance infrastructure projects of varied nature ("Urban Infrastructure Finance"). As on March 31, 2015, we have sanctioned Urban Infrastructure Finance of Rs. 94,165.00 crore which is 63.51% of our total financing activities. Income from Urban Infrastructure Projects consists of Rs. 2,414.16 crore for the Fiscal 2015 which is 70.43% 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 unserviced 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 (hydel, 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 instalments. 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%-150% of the loan outstanding at any given point of time depending upon the type of borrower.

The following table sets forth the sanctioned and the disbursed 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 crores except number of projects)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013
Sanctioned amount			
Social infrastructure and area development	212.92 for 50 projects	153.98 for 20 projects	2,202.42 for 13 projects
Water supply	4919.14 for 15 projects	1812.19 for 5 projects	3,088.59 for 21 projects
Sewerage and drainage	473.32 for 8 projects	1764.27 for 11 projects	9,71.72 for 6 projects
Roads and transport	3787.24 for 27 projects	2120.72 for 20 projects	4,925.46 for 14 projects
Power	1751.72 for 6 projects	1145.50 for 5 projects	1,750 for 4 projects
Emerging sector	2254.77 for 11 projects	832.19 for 10 projects	3,254. 87 for 8 projects
Commercial infrastructure and others	27.19 for 4 projects	19 for 1 projects	143.90 for 10 projects
Total	***13,426.30 for 121 projects***	***7847.85 for 72 projects***	***16,336.90 for 76 projects***
Disbursed amount			
Social infrastructure and area development	132.88	98.97	42.52
Water supply	2,404.09	1525.87	1318.13
Sewerage and drainage	306.02	322.05	197.75
Roads and transport	949.18	1,159.74	1,662.02
Power	621.64	615.34	1,043.42
Emerging sector	393.43	767.76	304.20
Commercial infrastructure and others	90.08	107.16	124.23
Total	***4,897.32***	***4,596.89***	***4,692.27***

The outstanding amount for social infrastructure and area development, water supply, sewerage and drainage sector, roads and transport, power, emerging sector, commercial infrastructure and others as on March 31, 2015 is Rs. 885.77 crore, Rs. 5,637.52 crore, Rs. 659.24 crore, Rs. 6,041.27 crore, Rs. 6,455.51 crore, Rs. 1,931.90 crore and Rs. 1,192.22 crore respectively.

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 was Rs. 7.79 crores for the Fiscal 2015, which constitutes 0.23% 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 ILCS. 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 Puducherry and preparation of tourism master plan for the State of Tamil Nadu.

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 as 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. Since its inception, HSMI has conducted 1,614 programmes, which have had 43,917 participants, and 32 international training programmes in which 540 professionals were trained from over 60 countries.

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. Further, as on March 31, 2015 a total grant of Rs. 33.65 crore has been sanctioned by us for this initiative, out of which Rs. 23.84 crore have been disbursed. These building centers have together taken up construction activity to the tune of Rs.1,491.00 crore, produced building components worth Rs. 376.00 crores and imparted training to over 3.21 lacs construction workers. 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.

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 finalised. 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.

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 posses 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. As on September 30, 2015, HUDCO has appraised 1203 BSUP/ IHSDP projects with project cost of Rs. 23005.52 crore and Central grant of Rs. 12899.94 crore for construction/ upgradation of 9.35 lac dwelling units across 849 cities/ towns in the country i.e. approx. 79% of total projects sanctioned by Govt. HUDCO has also conducted 410 field visits for monitoring of BSUP / IHSDP projects and 1814 TPIMA reports have been analyzed.

Rajiv Awas Yojna (“RAY”)

Rajiv Awas Yojana (RAY) Programme was announced by GOI in June, 2009 for creating `Slum Free India’. To encourage private sector participation, Affordable Housing in Partnership (AHP) and Interest Subsidy for Housing the Urban Poor (ISHUP) were dovetailed with RAY. Cumulatively, up to June 30, 2015, HUDCO has appraised 86 projects under RAY with project cost of Rs. 3,337.70 crore and central assistance of Rs. 1,685.15 crore for construction / up-gradation of 65,505 dwelling units. In addition 5 AHP projects (appraised by HUDCO) for Karnataka & Gujarat have been sanctioned for project cost of Rs. 174.09 core covering 3155 dwelling units.

Through appraisal and monitoring of JNNURM / RAY projects including analysis of TPIMA reports, HUDCO has earned revenue of Rs. 61.35 crore upto 30th September, 2015.

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.

Resource mobilization

We were incorporated with an initial equity capital of Rs. 2 crore. As on the date of filing of the Draft Shelf Prospectus, our issued, subscribed and paid-up equity shares capital is Rs. 2,001.90 crore. For details, see the section titled “***Capital Structure***” on page 47 of this Draft Shelf Prospectus.

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, 2015 we had total outstanding borrowing of Rs. 23,467.65 crore, of which Rs. 15,339.26 crore or 65.36 % was secured and Rs. 8,128.39 crore or 34.64 % was unsecured. For details of our outstanding borrowings as on September 30, 2015 see the section titled “***Financial Indebtedness***” on page 90 of this Draft Shelf Prospectus.

Domestic borrowings

Debentures

We issue debentures through public issues and private placements to institutional investors. The outstanding debentures issued by us are listed on the Stock Exchanges.

Bonds

Taxable Bonds: We issue unsecured, non-convertible, redeemable taxable bonds under various series typically with a maturity period of ten years from the date of allotment and bearing an interest rate ranging from 7.30% to 9.75%.

These bonds are issued on private placement basis and are currently listed on the "whole sale debt market segment" on the NSE.

Tax-free bonds: We issue secured, non-convertible, redeemable tax free bonds under various series typically with a maturity period ranging from ten to twenty years from the date of allotment and bearing an interest rate ranging from 7.03% to 9.01%.

These bonds are issued to retail as well as individual investors through public issue or on private placement basis and are currently listed on the "whole sale debt market segment" on the NSE (bonds raised through private placement) and the capital market segments of the NSE and the BSE (bonds raised through public issues).

Loans

We avail of secured as well as unsecured long term and short term loans from various banks and financial institutions and the Government of India. These loans are mostly in the nature of term loans with a maturity period ranging from two to twenty two years and bearing fixed as well as floating interest rate ranging from 5.75% to 11.14%.

Public deposits

We have obtained public deposits at an average interest rate of interest of 8.93% (as calculated on September 30, 2015), repayable over a period of one to seven years.

International borrowings

External commercial borrowings

We have obtained foreign currency loans aggregating up to Rs. 556.30 crores (as calculated on September 30, 2015) from multilateral bodies abroad and which are either guaranteed by the Central Government or counter-guaranteed by Indian banks. These loans have a typical maturity period ranging from fifteen to thirty years from the date of allotment and bear a fixed and floating interest rate.

Our credit ratings

CARE

CARE has assigned a rating of 'CARE AAA' to the long-term bonds, long term bank facilities and to our fixed deposit programme. 'CARE AAA' is defined by CARE as a rating for instruments with the highest degree of safety regarding timely servicing of financial obligations and carrying the 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' to the Bonds vide its letter dated October 19, 2015.

Indian Ratings & Research Private Limited

IRRPL, formerly Fitch Ratings India Private Limited, has assigned a rating of 'IND AAA' to the domestic bonds, long term bank facilities and to our domestic term deposit scheme.

For the Issue, IRRPL has assigned a rating of 'IND AAA' to the Bonds vide letter dated October 19, 2015.

Risk management

Risk management structure

Our Board of Directors is entrusted with the overall responsibility for the management of risks of our business. Additionally, we also have in place committees, as described below, to manage the various risks that we are exposed to. We are also in the process of putting in place an integrated risk management policy and procedures, for which a consultant has been appointed.

Credit risk

Credit risk is a risk inherent in the financing industry and involves the risk of loss arising from the diminution in credit quality of a borrower and the risk that the borrower will default on contractual repayments under a loan or an advance. We are subject to credit risk in a number of ways; for additional information on our credit risk, see the section titled "***Risk Factors***" on page 12 of this Draft Shelf Prospectus.

We manage credit risk by placing an emphasis on the financial and operational strength, capability and competence of the borrower. While we encourage certain socially relevant schemes through differential lending rates, the eligibility criteria and fund decision is always purely guided by the merit of the project. We use a wide range of quantitative as well as qualitative parameters as a part of the appraisal process to make an assessment of the extent of underlying credit risk. We generally do not sanction any facility to client appearing in CIBIL's list of 'defaulters' or 'wilful defaulters' as per RBI guidelines, or whose board of directors include promoter directors or whole-time directors (other than professional directors and nominee directors of financial institutions or Central or State Governments) of companies appearing in CIBIL's list of 'wilful defaulters'.

Security risk

Security risk is the risk that there may not be a security or the security may be insufficient to cover for the loss caused to us in the event the borrower fails to repay the loan. We manage security risk by ensuring that the loan is duly secured through various security mechanisms like State Government guarantee, mortgage, hypothecation, bank guarantee, first priority pari-passu charge on assets and trust and retention account. In certain cases, collateral securities like personal and corporate guarantees are also insisted upon from different borrowers from private agencies. Further, in many of our loans, dedicated account/escrow accounts are used as a measure of credit enhancement mechanism. Under this arrangement, the borrower ensure opening of dedicated account of definite revenue streams of the borrower for ensuring repayment of loans in time.

Market risk

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect our financial condition. We manage the interest rate risk by analysis of interest rate sensitivity gap statements and creation of assets and liabilities with the mix of fixed and floating interest rates. In addition, all loan sanction documents specifically give us the right to vary interest rate on the un-disbursed portion of any loan. We review our lending rates periodically based on prevailing market conditions, borrowing cost, yield, spread, competitors' rates, sanctions and disbursements. For additional information on interest rate risk, see the section titled "***Risk Factors***" on page 12 of this Draft Shelf Prospectus.

Foreign currency exchange rate risk

Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. We have foreign currency borrowings that could expose us to foreign currency exchange rate risk. We have put in place currency risk management policy to manage risks associated with foreign currency borrowings. We manage foreign currency risk through derivative products (like currency forward, option, principal swap, interest rate swap and full currency swap) offered by banks, which are authorised dealers. We have a hedging committee of senior functionaries and asset liability management committee ("**ALCO**") headed by our Director (Finance) and a forex consultant to guide in hedging and other related activities. As on, September 30, 2015 we have entered into hedging transaction to cover 73.02% of our foreign currency principal exposure. For additional information on foreign currency exchange rate risk, see the section titled "***Risk Factors***" on page 12 of this Draft Shelf Prospectus.

Liquidity risk

Liquidity risk is the risk of our potential inability to meet our liabilities as they become due. We have an asset liability management committee ("**ALCO**") headed by our Director (Finance) to manage the liquidity risk. ALCO monitors risks related to liquidity and interest rate and also monitors implementation of decisions taken in the ALCO meetings. The liquidity risk is monitored with the help of liquidity gap analysis. The asset liability management framework includes periodic analysis of long-term liquidity profile of asset receipts and debt service obligations. To ensure that we always have sufficient funds to meet our commitments, we maintain satisfactory level of liquidity to ensure availability of funds at any time to meet operational and statutory requirements. In addition, we have been sanctioned cash credit/overdraft facilities by commercial banks, which can be availed as and when need arises. At present surplus funds are invested by way of short-term deposits with banks as per board approved guidelines prepared on the basis of directions received from DPE. For additional information on liquidity risk, see the section titled "***Risk Factors***" on page 12 of this Draft Shelf Prospectus.

Operational risk

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. We have established systems and procedures to reduce operational risk as outlined below:

Operational controls in project finance activities: Our operational policy guidelines and manuals provide a detailed description of the systems and procedures to be followed in the course of appraisal, approval, disbursement and recovery of a loan. Various checks and control measures have been built-in for timely review of the operating activities and monitoring of any gaps in the same.

Operational controls in treasury activities: Our guidelines for deployment of surplus funds provide a description of process to be followed, with suitable exposure and counterparty limits. Compliance with our guidelines is monitored through internal control and systems including external and internal audits.

Legal risk: Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations. We seek to minimize the legal risk through legal documentation that is drafted to protect our interests to the maximum extent possible.

Our joint ventures

We have joint venture interests in Shristi Urban Infrastructure Development Limited, Pragati Social Infrastructure & Development Limited, MCM Infrastructure Private Limited and Signa Infrastructure India Limited. These joint ventures are engaged in the business of, among other things, constructing housing and urban infrastructure facilities. However, the Board in its meeting held on April 8, 2015 examined 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 and accordingly a Board note for exit from all the four (4) Joint Venture companies has been put up for consideration by the Board in its forthcoming meeting. For details, see the section titled "***History and Certain Corporate Matters***" on page 75 of this Draft Shelf Prospectus. We earn equity-based income from some of our joint venture companies. For details, see the section titled "***Annexure A – Financial Statements***" of this Draft Shelf Prospectus.

Competition

Our primary competitors are public sector banks, private banks, financial institutions and HFCs registered with the NHB.

Regulation

We are a public limited company under the Companies Act and notified as a public financial institution for the purposes of 2(72) of the Companies Act, 2013. We are a government company under Section 2(45) of the Companies Act, 2013. We are also registered with the NHB to carry on the business of a housing finance institution. The certificate of registration has been granted to us by the NHB subject to our continued compliance with all the directions issued by the NHB from time to time. For further details on the directions issued by the NHB, see the section titled "***Regulations and Policies***" on page 71 of this Draft Shelf Prospectus.

Corporate social responsibility

Through Corporate Social Responsibility ("**CSR**"), we have been periodically undertaking various activities. Under CSR, we have supported, among other things, financial assistance for the construction of rehabilitation projects for disaster affected people, construction of toilet facilities, vocational centres for slum dwellers and construction of night shelters. To increase our CSR activities, we formulated a CSR policy in Fiscal 2011 with two important focus areas viz sustainability and inclusion of socially disadvantaged communities specially the poor and slum dwellers. The CSR policy provides for the areas to be covered under CSR such as supporting research in the housing and urban infrastructure sector, supporting initiatives for slum redevelopment and sustainable habitat planning, supporting disaster rehabilitation activities. The source of funds for CSR activities is out of our net profits in line with the DPE guidelines. During Fiscal 2015, we have spent Rs. 3.23 crore. The company has formulated a CSR and Sustainability policy in line with the new guidelines issued by Department of Public Enterprise (DPE) vide its Office Memorandum No. F. No.15(7)/2012-DPE(GM)-GL-104 dated 12/04/2013 with the approval of HUDCO's Board.

As per Companies Act, 2013, HUDCO's Board also approved allocation for CSR and Sustainability budget for the FY 2014-15, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to Rs. 20.64 crore.

(Rs. in crore)

S. No.	Particulars	Amount	
1.	Gross Amount of CSR required to be spent during the year 2014-15		20.64
2.	Amount spent during the year on:	In cash	Yet to be paid in cash
	i) Construction/ Acquisition of any asset	-	-
	ii) On purpose other than (i) above	3.23	-

Further, as per the new guidelines issued by ICAI, no provision has been made in the financial statements for any shortfall in the amount that was expected to be spent on CSR.

Benefits for the employees

We have various schemes in place for the benefit of our employees such as the employees deposit linked insurance scheme and the group saving linked insurance scheme with the LIC, group personal accident policy with National Insurance Company, medical attendance scheme and employee social security scheme.

Offices

Registered and corporate office: Our Registered and Corporate Office is located at Hudco Bhawan, Core- 7A, India Habitat Centre, Lodhi Road, New Delhi 100 003.

Training and research wing: Our training and research wing is located in New Delhi.

Zonal offices: We have one zonal office which is located in Guwahati, Assam.

Regional office: We have regional offices in Ahmedabad, Bengaluru, Bhopal, Bhubaneswar, Chandigarh, Chennai, Dehradun, Delhi (NCR), Guwahati, Hyderabad, Vijaywada, Jaipur, Jammu, Kolkata, Kohima, Lucknow, Mumbai, Patna, Raipur, Ranchi and Thiruvananthapuram.

Development offices: We have development offices in Agartala, Aizwal, Gangtok, Goa, Imphal, Itanagar, Kokrajhar, Puducherry, Portblair, Shillong and Shimla.

REGULATIONS AND POLICIES

The following is a summary of certain laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The National Housing Bank Act, 1987

The National Housing Bank Act, 1987 (the "**NHB Act**"), established the National Housing Bank ("**NHB**") to operate as a principal agency to promote Housing Finance Companies ("**HFCs**") and to provide financial and other support to such institutions.

Under the NHB Act, an HFC is required to obtain certificate of registration and meet the net owned fund requirements for carrying on housing finance business. Further, every HFC is required to invest and continue to invest in India in unencumbered approved securities, an amount which, at the close of business on any day, is not less than five per cent (or such higher percentage, not exceeding twenty-five percent, as the NHB may specify), of the public deposits outstanding at the close of business on the last working day of the second preceding quarter.

Additionally, every HFC is required to maintain in India in an account with a scheduled bank in term deposits or certificate of deposits (free of charge or lien) or in deposits with the NHB or by way of subscription to the bonds issued by the NHB, a sum which, at the close of business on any day, together with the investment as specified above, shall not be less than 10 per cent (or such higher percentage, not exceeding twenty five percent, as the NHB may specify), of the deposits outstanding in the books of the HFC at the close of business on the last working day of the second preceding quarter. Pursuant to the NHB Act, every HFC is also required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Under the terms of the NHB Act, the NHB has the power to direct deposit accepting HFCs to furnish such statements, information or particulars relating to deposits received by the HFC, as may be specified by the NHB. The NHB may cause an inspection to be made of any deposit accepting HFC, for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the HFC has failed to furnish on being called upon to do so.

Our Company is registered with the NHB. The certificate registration no. 01.0016.01 dated July 31, 2001 was granted to our Company by NHB.

The Housing Finance Companies (National Housing Bank) Directions, 2010

The Housing Finance Companies (National Housing Bank) Directions, 2010 (the "**HFC Directions**") enable the National Housing Bank to regulate the housing finance system of the country to its advantage. Pursuant to the HFC Directions, no HFC shall accept or renew public deposits unless it has obtained minimum investment grade rating for its fixed deposits from any one of the approved rating agencies, at least once a year and a copy of the rating is sent to the NHB and it complies with prudential norms.

As per the HFC Directions, no HFC shall have deposits inclusive of public deposits, the aggregate amount of which together with the amounts, if any, held by it which are referred in clauses (iii) to (vii) of sub-section (bb) of Section 45 I of the Reserve Bank of India Act, 1934 as also loans or other assistance from the National Housing Bank, is in excess of sixteen times of its net owned fund. Further, no HFC shall accept or renew any public deposit which is repayable on demand or on notice; or unless such deposit is repayable after a period of twelve months or more but not later than one hundred and twenty months from the date of acceptance or renewal of such deposits. Acceptance or renewal can only be done on a written application from the depositors in the form to be supplied by the HFC.

As per the HFC Directions, no HFC shall invite or accept or renew any public deposit at a rate of interest exceeding twelve and half per cent per annum. Further, no HFC shall invite or accept or renew repatriable deposits from non-resident Indians in terms of Notification No. FEMA.5/2000-RB dated May 03, 2000 under Non-Resident (External) Account Scheme at a rate exceeding the rates specified by the Reserve Bank of India for such deposits with scheduled commercial banks.

In accordance with the prudential norms mentioned in the HFC Direction, income recognition shall be based on recognised accounting principles. Every HFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into standard assets; sub-standard assets; doubtful assets; and loss assets.

The HFC Directives also require each HFC to maintain a minimum capital ratio consisting of Tier-I and Tier-II capital which shall not be less than twelve percent its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The total Tier-II capital, at any point of time, shall not exceed one hundred percent of Tier-I capital.

Further, no HFC shall invest in land or buildings, except for its own use, an amount exceeding twenty per cent of its capital fund, provided that such investment over and above ten percent of its owned fund shall be made only in residential units. No HFC shall lend to any single borrower exceeding fifteen percent of its owned fund; and to any single group of borrowers exceeding twenty-five percent of its owned fund. An HFC shall not invest in the shares of another company exceeding fifteen percent of its owned fund; and the shares of a single group of companies exceeding twenty-five percent of its owned funds. An HFC shall not lend and invest exceeding twenty-five percent of its owned fund to a single party; and forty percent of its owned fund to a single group of parties. Additionally, an HFC cannot lend against its own shares. However, in terms of a letter from the NHB dated April 5, 2011, our Company has been granted a partial exemption from the abovementioned requirements, inasmuch as it may lend upto 50% of its net owned funds to government agencies (under its individual lending exposure) and upto 100% of its net owned funds to individual state governments (under its group exposure).

Pursuant to the HFC Directions, the aggregate exposure of a HFC to the capital market in all forms should not exceed 40 per cent of its net worth as on March 31 of the previous year. Within this overall ceiling, direct investment in shares, convertible bonds / debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds of the HFC should not exceed 20 per cent of its net worth as on March 31 of the previous year.

The present issue does not qualify as a 'public deposit' under paragraph 2(1)(y) of the HFC Directions.

Guidelines on 'Know Your Customer' and 'Anti Money Laundering Measures'

The revised Guidelines on Know Your Customer' and 'Anti Money Laundering Measures (KYC AML Guidelines) dated October 11, 2010 issued by the NHB lay down provisions to prevent housing finance companies (HFCs) from being used, intentionally or unintentionally, by criminal elements for money laundering activities. The KYC AML Guidelines require, among other things, having a customer acceptance policy, and a customer identification procedure. Further, the KYC AML Guidelines also require the board of directors of a HFC to ensure that an effective Know Your Customer ("**KYC**") programme is put in place by establishing appropriate procedures and ensuring their effective implementation.

Guidelines for Asset Liability Management System for HFCs

The revised Guidelines for Asset Liability Management System for HFCs ("**ALM Guidelines**") were issued by the NHB on October 11, 2010. The ALM Guidelines lay down broad guidelines for HFCs in respect of management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted consisting of the HFC's senior management for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data/empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

In addition, each HFC is required to set prudential limits on individual gaps in various time buckets with the approval of the Board/management committee. Such prudential limits should have a relationship with the total assets, earning assets or equity.

Guidelines on Fair Practices Code for HFCs

The revised Guidelines on Fair Practices Code for HFCs ("**Fair Practices Code**") were issued by the NHB on October 11, 2010. The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase in transparency, encouragement of market forces, higher operating standards, fair and cordial relationship between customer and HFCs and foster confidence in the housing finance system.

The Fair Practices Code provides for provisions in relation to providing regular and appropriate updates to the customer and prompt resolution of grievances. HFCs are required to disclose information on interest rates, common fees, terms and conditions and charges through notices put up at designated places. Further, HFCs are required to ensure that advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/her notice or by making personal visits and/or repossession of security, if any.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the "**DRT Act**") provides for establishment of the Debt Recovery Tribunals (the "**DRTs**") for expeditious adjudication and recovery of debts due to banks and financial institutions. The DRT Act lays down the procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

The Prevention of Money Laundering Act, 2002

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution, including an HFC, is required to maintain record of all transactions of a specified nature and value and verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "**SARFAESI Act**") regulates the securitization and reconstruction of financial assets of banks and financial institutions. The SARFAESI Act provides for measures in relation to enforcement of security interests and rights of the secured creditor in case of default.

The RBI has issued guidelines to banks on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution may sell financial assets to an asset reconstruction company provided the asset is a non-performing asset. These assets are to be sold on a "without recourse" basis only. A securitization company may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower, by change in, or take over of, the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Companies Act, 2013

The Companies Act, 2013 (**the "2013 Act**") has been notified by the Government of India on August 30, 2013 (the "Notification"). Under the Notification, Section 1 of the 2013 Act that dealt with the commencement and application of the 2013 Act, and amongst others, sets out the types of companies to which the 2013 Act applies came into effect. Further the Ministry of Corporate Affairs has by its notification dated September 12, 2013 ("September 12 Notification") notified 98 sections of the 2013 Act to come into force from September 12, 2013. Additionally, pursuant to a notification dated March 26, 2014, 171 new sections, certain un-notified sub – sections under the sections notified in the September 12 Notification and 6 schedules were notified that came into effect from April 1, 2014. The Companies Act, 2013 has 470 sections of which 269 sections are now notified. The Government of India has reserved for itself the power to notify different provisions of the 2013 Act at different points of time. The 2013 Act seeks to overhaul the Companies Act, 1956 so as to make it more adaptable to the changing circumstances and make it comprehensive.

Additionally, section 465 (yet to be notified) of the 2013 Act provides for repeals and savings where under anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall, insofar as it is not inconsistent with the provisions of 2013 Act, be deemed to have been done or taken under the corresponding provisions of the 2013 Act.

Regulations applicable to Foreign Investment

FEMA and FDI Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA and the rules, regulations and notifications thereunder, read with the presently applicable consolidated FDI policy, effective from April 1, 2013 as issued by the Department of Industrial Policy and Promotion, **("DIPP**").

The RBI, in exercise of its powers under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue of security to a person resident outside India.

FDI is permitted, except in certain prohibited sectors, in Indian companies either through the automatic route or the approval route, depending upon the sector in which FDI is sought to be made. Under the automatic route, no prior government approval is required for the issue of securities by Indian companies/ acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. However, if the foreign investor has any previous joint venture/ tie-up or a technology transfer/ trademark agreement in the same field in India, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/ activities that cannot be brought in under the automatic route may be brought in through the approval route.

FDI is allowed under the automatic route up to 100% in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

HISTORY AND CERTAIN CORPORATE MATTERS

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, 1956 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 U74899DL1970GOI005276. Our Company was notified as a public financial institution under Section 4A of the Companies Act, 1956 on December 9, 1996.

For details in relation to our business activities and investments, see the section titled "***Our Business***" on page 58 of this Draft Shelf Prospectus.

Major events

Year	Event
1970	• Incorporation of our Company
1974	• Converted to a public limited company
1977	• Introduced rural housing schemes
1980	• Introduced the shelter upgradation scheme
1981	• Opening of regional offices
1985	• Set up HSMI
1988	• Introduced financing for village abadi environmental improvement scheme
1994	• Started financing the private sector for commercial and housing schemes
1996	• Notified as a public financial institution under section 4A of the Companies Act, 1956
1998	• Inducted in the GoI's '2 million housing program'
	• Started retail financing –Hudco Niwas
2004	• Granted the Mini-ratna (category I)
2011	• Substantial reduction in net NPAs
	• PAT crossed Rs. 500 crores
2012	• PAT crossed Rs. 600 crores
	• Successfully raised Rs. 5,000 crores 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	• PAT crossed Rs. 700 crores
	• Successfully raised Rs. 2,401.35 crores through public issue of tax free bonds, as allocated by the CBDT in its budget allocation for the year 2012-2013
2014	• Successfully 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.
2015	• First time in history, cumulative disbursement crosses Rs. 1 Lakh crore.

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 Nations Human Settlements Program in 1991 for outstand**' in 2000 for being among the top ten public sector institutions in performance.

- Received the **'Prime Ministering among the top ten public and Design**'rime Ministering among the top tetownship of Jammu.

- Conferred the '**Mini-ratna Status**'in the year 2004-05 for Category-1 public sector enterprise.

Our main objects

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

i. to provide long term finance for construction of houses for residential purposes or finance or undertake housing and urban development programmes in the country;
ii. to finance or undertake, wholly or partly, the setting up of new or satellite towns;
iii. 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;
iv. to finance or undertake the setting up of industrial enterprises of building material;
v. 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;
vi. 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; and
vii. to undertake business of venture capital fund in housing and urban development sectors facilitating innovations in these sectors and investing in and/or subscribing to the units/ shares etc. of venture capital funds promoted by government/ government agencies in the above areas; and
viii. to set up the Company'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, promoted by the 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.

Holding company

Our Company does not have a holding company.

Our Promoter

Our Promoter is the President of India. Our Promoter holds the entire (100%) equity share capital of our Company, either directly or through nominee shareholders.

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. MCM Infrastructure Private Limited.
4. Signa Infrastructure India Limited.

The details of these 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 December 14, 2005 between MCM Services Private Limited ("**MCM**") and our Company*

MCM and our Company entered into a joint venture agreement to set up a joint venture company by the name of MCM Infrastructure Private Limited ("**MCMI**") 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 MCM shall hold 26% and 74% respectively of the equity share capital of MCMI. Both the parties shall have the option to sell their respective equity shares held in MCMI with mutual consent at any time after a period of five years from the date of acquisition of the equity shares. However, in case of sale by either party, the shares are to be first offered to the other shareholder of MCMI.

Further, as per the terms of the joint venture agreement, MCM shall carry the responsibility of the construction, development and other related work to be carried on by MIPL with the assistance and support of our Company. Furthermore, MIPL is prohibited from competing with our Company in respect of its existing and proposed activities.

*(d) 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.

** However, the Board in its meeting held on April 8, 2015 examined 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 and accordingly a Board note for exit from all the four (4) Joint Venture companies has been put up for consideration by the Board in its forthcoming meeting.*

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 MoHUPA. This memorandum of understanding is a negotiated agreement between the MoHUPA 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 2016, the memorandum of understanding with the MoHUPA was signed on March 30, 2015 ("**MoU**"). As per the MoU, our Company has undertaken to achieve performance levels for Fiscal 2016 on three parameters namely, static financial parameters, dynamic and non-financial parameters, sector-specific parameters/ enterprise-specific parameters. With regard to commitments and assistance from the MoHUPA, the MoU provides for, among other things, helping our Company increase its credit-worthiness and enabling it to achieve its social objective by providing necessary policy support, helping our Company in mobilising resources at lower costs and helping our Company in resolving defaults of state governments and state agencies.

Subsidiaries and Associate Companies

Our Company has no Subsidiaries or Associate Companies.

OUR MANAGEMENT

Board of Directors

Pursuant to the Articles of Association, our Company is required to have not less than three and not more than ten Directors. Currently, our Company has five Directors on the Board out of which three are executive Directors and two are government nominee non-executive Directors.

The following table sets forth details regarding the Board as on date of this Draft Shelf Prospectus.

Name/DIN/Address/ Occupation	Age	Date of Appointment	Designation	Other Directorships
Dr. Ravi Kanth Medithi ***DIN***: 01612905 ***Address***: Flat No. 235, Malwa Singh Block, Khelgaon Marg, Asian Games Village Complex, New Delhi – 110049 ***Occupation***: Service	55	April 11, 2014	Chairman & Managing Director	• Delhi Mumbai Industrial Corridor Development Corporation Limited • Banglore Metro Rail Corporation Ltd. (BMRCL)
Mr. Nand Lal Manjoka ***DIN***: 06560566 ***Address***: C-19, Ground Floor, Jungpura (Near Sanatan Dharam Mandir) SO, New Delhi – 110014 ***Occupation***: Service	57	April 11, 2013	Director Corporate Planning	Nil
Mr. Rakesh Kumar Arora ***DIN***: 02772248 ***Address***: Pocket-K, Flat No. 39, Sarita Vihar, New Delhi-110076 ***Occupation***: Service	55	October 1, 2015	Director Finance	• Teesta Urza Limited*
Mr. Rajiv Ranjan Mishra ***DIN***: 06480792 ***Address***: D-1/101, Satya Marg, Chanakyapuri, New Delhi-110021 ***Occupation***: Service	54	March 10, 2015	Nominee Director	• Hindustan Prefab Limited
Ms. Jhanja Tripathy ***DIN***: 06859312 ***Address***: 5/B, Railway Officers Colony, Tilak Bridge, New Delhi-110001 ***Occupation***: Service	55	May 3, 2014	Nominee Director	• Hindustan Prefab Limited • Kolkata Metro Rail Corporation Limited • National Building Construction Corporation • Mumbai Metro Rail Corporation Ltd. • Nagpur Metro Rail Corporation Limited

**Mr. Rakesh Kumar Arora was a nominee Director of Rural Electrification Corporation Limited (RECL), in Teesta Urja Limited till September 30, 2015 and after getting relieved from RECL w.e.f. September 30, 2015, he ceased to be Director in M/s Teesta Urja Limited w.e.f. September 30, 2015. However, it is understood that M/s Teesta Urja Limited is yet to file requisite forms with ROC in this respect.*

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

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.

Brief Profiles

Dr. Ravi Kanth Medithi, IAS(r), aged 55 years, is the Chairman & Managing Director of our Company. He holds a degree in M.A. (Economics) and Ph.D. (Agri-Exports) from Andhra University, L.L.B from Delhi University and MBA (Finance) from Melbourne, Australia. Prior to this, he was CMD of Projects & Development India Limited (PDIL), and as an IAS officer of 1986 batch in Kerala cadre, Dr. M. Ravi Kanth was Principal Secretary to Government of Kerala and Joint Secretary, Ministry of Power, Government of India, New Delhi.

Dr. M. Ravi Kanth has served in various positions in Government of India viz. Dy. Chief Executive, Nuclear Fuel Complex, Dept. of Atomic Energy, Hyderabad, Private Secretary to MOS in Finance & Company Affairs, MOS (i/c) Labour & Urban Development, Director, APEDA in Ministry of Commerce & Industry, Chairman & Managing Director, National Handicapped Finance & Development Corporation in Ministry of Social Justice and Empowerment.

Dr. M. Ravi Kanth held several positions in the State Government of Kerala and also Government of Delhi viz. District Collector & District Magistrate of Kannur (Cannanore), Managing Director of Cashew Export Development Corporation, Kollam (Quilon), General Manager, KSCSC and Director of Food & Supplies Department, Sub Collector & Sub Divisional Magistrate, Tellicherry in Kerala and as Secretary, Delhi Minorities Commission, Controller of Weights & Measures (Legal Metrology) and Food & Supplies in Government of Delhi.

Mr. Nand Lal Manjoka, aged 57 years, is the Director (Corporate Planning) of our Company. He is an Associate Member of The Institute of Engineers, India and also holds a Master's degree in business administration and an Executive master's degree in international business from the Indian Institute of Foreign Trade, New Delhi. He has been previously associated with the Container Corporation of India as Executive Director (Planning & Business Development), and has over 22 years of experience in planning and business development.

Mr. Rakesh Kumar Arora, aged 55 years, is the Director (Finance) of our Company. He is a Fellow Member of Institute of Chartered Accountants of India (ICAI) and Associate Member of Institute of Companies Secretaries of India (ICSI). He has been previously associated with the Rural Electrification Corporation limited as Executive Director (Finance), and has over 30 years of experience in power sector. He has handled multiple assignments namely, Resource Mobilization from Domestic and Foreign sources including multilateral agencies such as JICA and KfW; Treasury Management, Hedging of the foreign currency through mix of derivative instruments. He has extensive experience in Corporate Accounts, Investor relations, Credit Appraisal of the projects relating to Generation, Transmission & Distribution, Corporate Social Responsibility and Corporate Planning. He has also handled works relating to Corporate Taxation, Follow on Public Offering of REC, disinvestment of GoI stake in REC through offer for sale and also handled additional responsibilities of Internal Audit and Company Secretary.

Mr. Rajiv Ranjan Mishra, IAS, aged 54 years, is a non-executive, Govt. nominee Director of our Company. He holds a bachelor degree in mechanical engineering. He has wide experience with various ministries and govt. departments and previously associated as Principal Secretary to Government, Infrastructure & Investment Department, Joint Secretary and Ex Officio Mission Director of National Mission for Clean Ganga and presently holding the post of Joint Secretary (Housing), Ministry of Housing of Housing & Urban poverty Alleviation, Government of India.

Mrs. Jhanja Tripathy (IRAS), aged 55 years, is a non-executive, Govt. nominee Director of our Company. She holds degree in Masters in Psychology and Post Graduate Diploma in Industrial Relations & Personnel

Management. She has wide experience in finance and administration field and held many senior positions during her service with Railways/ Government of India and presently holding the post of Joint Secretary & Financial Advisor), Ministry of Housing & Urban poverty Alleviation, Government of India.

Relationship with other Directors

None of our Directors are related to each other.

Borrowing powers of the Board

Pursuant to a resolution passed by the shareholders of our Company on September 5, 2014, and in accordance with the provisions of 180(1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time and Articles of Association of our Company, 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. 40,000.00 crores. The aggregate value of the Bonds offered under this Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the approved borrowing limits of Rs. 40,000.00 crores.

The Issue is being made pursuant to the resolution passed by the Board on July 20, 2015.

Interests of our Directors

Except as otherwise stated in the section titled "***Annexure A – Financial Statements***" of this Draft Shelf Prospectus, our Company has not entered into any contracts, agreements and arrangements during the two years preceding the date of this Draft Shelf Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of such contracts or agreements which are proposed to be made with them.

The Chairman & Managing Director/Director Corporate Planning/Director Finance may be deemed to be interested to the extent of remuneration payable to him. All our independent Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof. Vide a resolution of our Board dated August 24, 2012, and a letter from the MoHUPA dated January 18, 2013, all our independent Directors are entitled to sitting fees of Rs. 10,000/- for each Board meeting and Rs. 8,000/- for each committee meeting of the Board. However, subject to approval of MoHUPA, Board has accorded its approval, vide its resolution dated November 11, 2014, to the enhancement of sitting fee to Rs. 20, 000/- to Part-time Non Official (Independent) Directors. All Directors may also be regarded as interested, to the extent they, their relatives or the entities in which they are interested as directors, members, partners or trustees, are allotted Bonds pursuant to this Issue, if any.

No Director of our Company has any interest in the appointment of the Debenture Trustee to the Issue. Our Directors have no interest in any property acquired or proposed to be acquired by the Company in the preceding two years of filing this Draft Shelf Prospectus with the Designated Stock Exchange nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to the Company. No benefit/ interest will accrue to our Promoters/Directors out of the objects of the issue.

All Directors may be deemed to be interested in the contracts, agreements / arrangements entered into or to be entered into by us with any company in which they hold directorships or any partnership in which they are a partner. Directors with an interest in other companies are mentioned in this Draft Shelf Prospectus

Further, save and except as disclosed in this Draft Shelf Prospectus, no remuneration is payable or paid to the Directors by our Company.

Except as given below, the Directors and their relatives have not taken any loan from Company.

(Rs. in crore)

Loans & Advances*	**Type of Loan**	**Outstanding as on 31st March 2015**	**Outstanding as on 31st March 2014**	**Outstanding as on 31st March 2013**
Mr. Nand Lal Manjoka (Director Corporate Planning)	Vehicle Loan	0.03	0.04	0.00

**Above table does not include amount outstanding towards Mr. A.K. Kaushik as he had ceased to be director w.e.f Sep 30, 2015*

Debenture/ Subordinated Debt holding of the Directors:

Details of the debentures/subordinated debts held in our Company by our Directors, as on September 30, 2015: Nil

Our Directors have no other interests in our Company.

Qualification shares held by Directors

As per the Articles of Association of our Company, the Directors are not required to hold any qualification shares in our Company.

Shareholding of Directors

Except for Mr. Rajiv Ranjan Mishra and Ms. Jhanja Tripathy, a non-executive government nomine Director of our Company, who holds one Equity Share each in our Company as a nominee of the President of India, none of our Directors holds any Equity Shares in our Company.

Remuneration of the Directors

A. Executive Directors

Name of Director	Appointment Details	Remuneration
Dr. M. Ravi Kanth Chairman & Managing Director (CMD) DOJ in HUDCO- April 11, 2014	The Chairman & Managing Direcxtor (CMD) has been appointed for a period of five years with effect from the date of assumption of charge of the post on or after April 11, 2014, or till the date of his superannuation, or until further orders, whichever is the earliest in terms of Order {No.I-14012/21/2013-H (FTS-9545)} dated February 13, 2014 issued by Ministry of Housing Urban and Poverty Alleviation, GOI	The remuneration being drawn by the Chairman & Managing Director is currently based on the Order {No.I-14012/21/2013-H (FTS-9545)} dated February 13, 2014 issued by Ministry of Housing Urban and Poverty Alleviation, GOI. **Basic Salary**: Rs. 82,400 per month (with effect from April 11, 2015 after drawl of annual increment) **Perquisites and allowances**: In addition to the basic salary, he is also entitled to perquisites and allowances including: (i) Dearness Allowancesat IDA rates (ii) House Rent Allowance as per the rates indicated in DPE OM dated November 26, 2008/ Leased accommodation. (iii) Leave Travel Concession as per HUDCO rules, etc.
Mr. N.L. Manjoka Director Corporate Planning (DCP) DOJ in HUDCO- April 11, 2013	The Director Corporate Planning (DCP) has been appointed for a period of five years with effect from the date of assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest in terms of Order {No. A- 12026/1/2003-H-II/H (Vol.IV)} dated April 10, 2013 issued by Ministry of Housing Urban and Poverty Alleviation, GOI.	The remuneration being drawn by the Director Corporate Planning (DCP) is currently based on the Order {No. A-12026/1/2003-H-II (Vol.IV)} dated April 10, 2013 issued by Ministry of Housing Urban and Poverty Alleviation, GOI. **Basic Salary:** Rs. 79,570 per month (with effect from April 11, 2015 after drawl of annual increment) **Perquisites and allowances**: In addition to the basic salary, he is also entitled to perquisites and allowances including: (i) Dearness Allowancesat IDA rates (ii) House Rent Allowance as per the rates indicated in DPE OM dated November 26, 2008/ Leased accommodation. (iii) Leave Travel Concession as per HUDCO rules, etc.

Name of Director	Appointment Details	Remuneration
Mr. Rakesh Kumar Arora* Director Finance (DF) DOJ in HUDCO October1, 2015	The Director Finance (DF) has been appointed for a period of five years with effect from the date of assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest in terms of Order {No. A- 14012/13/2015-H(12826) dated August 25, 2015 issued by Ministry of Housing Urban and Poverty Alleviation, GOI.	The remuneration being drawn by the Director Finance (DF) is currently based on the Order {No. A- 14012/13/2015-H(12826)} dated August 25, 2015 issued by Ministry of Housing Urban and Poverty Alleviation, GOI. **Basic Salary**: Rs. 75,000 per month (with effect from October 1, 2015

**The MoHUPA is yet to notify the detailed terms and conditions for the appointment of Mr. Rakesh Kumar Arora. In terms of their appointment letters, Mr. Rakesh Kumar Arora have been appointed by the MoHUPA in the pay scale of Rs. 75,000 – Rs. 1,00,000 per month.*

B. Non-Executive Directors

The following table sets forth the details of the sitting fees and commission paid to our non-executive Directors during the year ended March 31, 2015.

(in Rs.)

Name	Sitting fee for board meeting	Sitting fee for committee meeting	Total
Ms. Jhanja Tripathy	Nil	Nil	Nil
Dr. Sameer Sharma	Nil	Nil	Nil
Mr. Sanjeev Kumar	Nil	Nil	Nil
Mr. Rajiv Ranjan Mishra	Nil	Nil	Nil
Prof. Dinesh Mehta	50,000	1,12,000	1,62,000
Mr. Virender Ganda	20,000	80,000	100,000
Prof. SukhadeoThorat	50,000	72,000	1,22,000

** Ms Jhanja Tripathy, Dr. Sameer Sharma, Mr. Sanjeev Kumar and Mr. Rajiv Ranjan Mishra, being Directors nominated by the GoI, are not entitled to any remuneration or sitting fees from our Company.*

Changes in Board during the last three years

S. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Remarks
1.	Ms. Sudha Krishnan	02885630	Government Nominee Director	December 3, 2009	Janurary 2, 2013	Ceased to be a director pursuant to the notification by MoHUPA, GOI
2.	Mr.Nassereddin Munjee	00010180	Part time Non official Independent Director	August 5, 2010	August 4, 2013	Ceased to be a director as the term of the directorship has been completed
3.	Mr.Veerappa Parameshwarappa Baligar	00850615	Chairman & Manging Director	April 11, 2011	April 10, 2014	Ceased to be a director as the term of the directorship has been completed
4.	Prof. Dinesh Bhikhubhai Mehta	01957927	Part time Non official Independent Director	January 16, 2012	January 15, 2015	Ceased to be a director as the term of the directorship has been completed
5.	Mr. Virender Ganda	01013057	Part time Non official Independent Director	February 9, 2012	February 8, 2015	Ceased to be a director as the term of the directorship has been completed
6.	Dr. Susheel Kumar	00040657	Government Nominee Director	May 7, 2012	August 30, 2013	Ceased to be a director pursuant to the notification by MoHUPA, GOI
7.	Prof. Sukhadeo Thorat	06414412	Part time Non official Independent Director	October 10, 2012	October 9,2015	Ceased to be a director as the term of the directorship has been completed

S. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Remarks
8.	Mr. Naresh Salecha	00843812	Government Nominee Director	January 2, 2013	May 3, 2014	Ceased to be a director pursuant to the notification by MoHUPA, GOI
9	Mr. N.L.Manjoka	06560566	Director Corporate Planning	April 11, 2013	Continuing	Appointment pursuant to the notification by MoHUPA, GOI
10.	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.
11.	Mr. Karan Bir Singh Sidhu	03128133	Government Nominee Director	August 30, 2013	December 15, 2014	Ceased to be a director pursuant to the notification by MoHUPA, GOI
12.	Dr. Ravi Kanth Medithi	01612905	Chairman & Managing Director	April 11, 2014	Continuing	Appointment pursuant to the notification by MoHUPA, GOI
13.	Ms. Jhanja Tripathy	06859312	Government Nominee Director	May 3, 2014	Continuing	Appointment pursuant to the notification by MoHUPA, GOI
14.	Dr. Sameer Sharma	02749958	Government Nominee Director	December 15, 2014	February 17, 2015	Ceased to be a director pursuant to the notification by MoHUPA, GOI
15.	Mr. Sanjeev Kumar	01866640	Government Nominee Director	February 17, 2015	March 10, 2015	Ceased to be a director pursuant to the notification by MoHUPA, GOI
16.	Mr. Rajiv Ranjan Mishra	06480792	Govt. Nominee Director	March 10, 2015	Continuing	Appointment pursuant to the notification by MoHUPA, GOI
17.	Mr. Rakesh Kumar Arora	0772248	Director Finance	October 1, 2015	Continuing	Appointment pursuant to the notification by MoHUPA, GOI

Corporate Governance

The DPE Corporate Governance Guidelines lay down certain corporate governance norms to be adhered to by all central public sector enterprises.

The DPE Corporate Governance Guidelines require, among other things, that:

(i) The number of Functional Directors (that is, directors responsible for day to day functioning of the enterprise) should not exceed 50% of the actual strength of the Board.
(ii) The number of Directors nominated by the Government should not be more than two in number.
(iii) In case of CPSEs listed with the stock exchanges and where the board of directors is headed by an executive chairman, the number of Independent Directors shall be at least 50% of the total strength of the board of Directors. In other cases, the number of Independent Directors shall be at least one third of the total strength of the Board of Directors.
(iv) None of the directors should be members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship.

As on the date of this Draft Shelf Prospectus, our Company, has three Functional Director and two Directors nominated by the Government. Further, none of our Directors are members of more than ten committees or act as chairman of more than five committees across all companies in which they hold directorship. Consequently, as on date of this Draft Shelf Prospectus, is not in compliance with the DPE Corporate Governance Guidelines, since less than 50% of the composition of its Board of Directors comprises of independent Directors. See the section titled **"Risk Factors – *With regard to the composition of our Board, we are currently not in compliance, and have not been able to comply on certain occasions in the past, with guidelines issued by the Department of Public Enterprises*"** on page 20 of this Draft Shelf Prospectus.

Committees of the Board of Directors

The Board constitutes sub-committees in its ordinary course of business. With regard to corporate governance requirements, the following committees have been constituted:

A. Audit Committee
B. Nomination and Remuneration Committee
C. Remuneration Committee for Performance Related Pay
D. Stakeholders Relationship Committee
E. Corporate Social Responsibility Committee
F. Committee of Directors to oversee the sustainable development activities including R & D

The details of these committees are as follows:

A. Audit Committee*

The audit committee was reconstituted by a meeting of the Board of Directors held on March 17, 2015. The members of the audit committee are:

i) Smt. Jhanja Tripathy- Member
ii) Mr. Rajiv Ranjan Mishra- Member

The scope and function of the audit committee is in accordance with Section 177 of the Companies Act, 2013 and the DPE Corporate Governance Guidelines. The terms of reference of the audit committee includes:

a) review of financial reporting systems, review of the quarterly/half yearly/ annual financial performance statements before submission to the Board, for consideration.
b) review of the internal audit system, internal/statutory audit reports etc. with the management,
c) discussion and reviewing with the Internal Auditors any significant findings on any internal investigation by the internal auditors into matters of suspected fraud and irregularity.

The powers of the audit committee shall include the power:

a) to investigate any activity within its terms of reference.
b) to seek information on and from any employee.
c) to obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
d) to secure attendance of outsiders with relevant expertise, if it considers necessary.
e) to protect whistle blowers.

**The Audit Committee is yet to be reconstituted due to the expiry of the term of Prof. Sukhdeo Thorat as Director of the Company on October 9, 2015, and its Chairman is yet to be appointed.*

B. Nomination and Remuneration Committee*^

i) Smt. Jhanja Tripathy- Member
ii) Mr. Rajiv Ranjan Mishra- Member

The scope of the Nomination and Remuneration Committee are as under:

a) Coverage: 'Senior Management' comprising of Senior Executive Directors, being one level below the Functional Directors and Executive Directors being Functional heads in general.
b) Recruitment for the Post of Executive Directors:
    (i) To put up the short listed candidates for the post of Executive Directors to 'Nomination and Remuneration Committee' for its recommendation.
    (ii) To hold the selection process for the post of Executive Directors as per Recruitment & Promotion Rules, 2011 under the chairmanship of Chairman & Managing Directorand put up the recommendations of the Selection Committee to 'Nomination and Remuneration Committee'.
    (iii) To put up the recommendation of 'Nomination and Remuneration Committee' in respect of (i) and (ii) above the Board for approval.

(c) Promotion for the Post of Executive Directors/ Senior Executive Directors:

(i) To move all future proposals for the constitution of Departmental Promotion Committee for the promotion to the posts of Executive Directors and Senior Executive Directors by Board, as per the present requirement of Recruitment & Promotion Rules, 2011 through 'Nomination and Remuneration Committee'. While doing so, the list of candidates shall also be attached for perusal of 'Nomination and Remuneration Committee', to meet the requirement of their involvement at the stage of identification of suitable candidates for appointment, which in this case refers to promotion.

* *The Company being a Government Company has been exempted by Government of India's Notification No. GSR 463(E) dated June 5, 2015 from the requirements of Sub-Section (2), (3) and (4) of Section 178 of the Companies Act, 2013 except with regard to the appointment of "senior management" and "other employees".*

^ *The Nomination and Remuneration Committee is yet to be reconstituted due to the expiry of the term of Prof. Sukhdeo Thorat as Director of the Company on October 9, 2015, and its Chairman is yet to be appointed.*

C. Remuneration Committee for PRP*

The remuneration committee was reconstituted by a meeting of the Board of Directors held on March 17, 2015. The members of the remuneration committee are:

i) Smt. Jhanja Tripathy- Member
ii) Mr. Rajiv Ranjan Mishra- Member

The terms of reference of the remuneration committee is to give recommendations/considering the various aspects of regulating/distributing performance related pay across the organization at various levels and linking it up with the organizational performance/individual performance/ performance management system.

* *The Remuneration Committee for PRP is yet to be reconstituted due to the expiry of the term of Prof. Sukhdeo Thorat as Director of the Company on October 9, 2015 and its chairman is yet to be appointed.*

D. Stakeholders Relationship Committee

The stakeholders relationship committee was constituted by a meeting of the Board of Directors held on June 18, 2014. The members of the remuneration committee are:

i) Smt. Jhanja Tripathy-Chairman
ii) Mr. Nand Lal Manjoka
iii) Mr. Rakesh Kumar Arora

The terms of reference of the stakeholders committee is to consider and resolve the grievances of any class of bondholders, debenture holders, deposit holders, share holders or any other security holders in respect of securities of any nature issued by the Company, as defined in the Section 178 of the Companies Act, 2013 as may be amended, from time to time.

E. Corporate Social Responsibility Committee*

The corporate social respnsobility committee was reconstituted by a meeting of the Board of Directors held on February 18, 2015. The members of the corporate social responsibility are:

a) Dr. M. Ravi Kanth-Chairman
b) Smt. Jhanja Tripathy- Member

The scope and terns of reference of the Corporate Social Responsibity Committee are as under:

a). Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
b) Recommend the amount of expenditure to be incurred on the CSR activities;
c) Monitor the CSR Policy of the Company from time to time;
d) To institute a transparent monitoring mechanism for implementation of the CSR projects/ program/ activites undertaken by the Company.

*	*The Corporate Social Responsibility Committee is yet to be reconstituted due to the expiry of the term of Prof. Sukhdeo Thorat as Director of the Company on October 9, 2015.*

F. Committee of Directors to oversee the sustainable development activities including R & D*

The Committee of Directors to oversee the sustainable development activities including R&D was constituted by a meeting of the Board of Directors held on February 18, 2015. The members of the corporate social responsibility are:

a) Mr. N.L. Manjoka – Director Corporate Planning, HUDCO: Member

The scope and terns of reference of the Committee of Directors to oversee the sustainable development activities including R&D are as under:

Sustainable development programme of HUDCO focus on the following:

(i) Waste management- There is substantial need for conceptualization as well as implementation of demonstration projects highlighting the new and innovative method for garbage collection and disposal including conversion to useful product and recycling. HUDCO shall undertake atleast one demonstration project in this category every year,
(ii) Water Management- A large number of wet lands in the various cities have been encroached upon or have been filled by the city garbage. The requirements of qualifier recharging may put severe restrictions on the future extension of the city. HUDCO shall take one project on the area of water management every year.
(iii) Energy Management and promotion of renewable energy- There is immense potential in the reduction of lighting and cooling load by way of replacement with energy efficient appliances and technology upgradation. HUDCO shall undertake on such project demonstrating the shift towards energy efficiencies in the buildings and cities each year.

In addition to above Sustainable Development Reporting and Training would be the two important sub-components.

Research and Development programme of HUDCO focus on the following key areas:

(i) Collaborative research on urban sector through establishment of chairs in national and reputed reputed research institution.
(ii) Collaborative research in urban sector by way of encouraging scholars in various reputed educational/fellowship grant.
(iii) Collaborative short term research on urban sector with the reputed agencies.
(iv) Documentation of best practices for wider dissemination.
(v) Best Practices Award.

** The Committee of Directors to oversee the sustainable development activities including R & D is yet to be reconstituted due to the expiry of the term of Prof. Sukhdeo Thorat as Director of the Company on October 9, 2015 and its chairman and members are yet to be appointed.*

Payment or Benefit to Officers of our Company

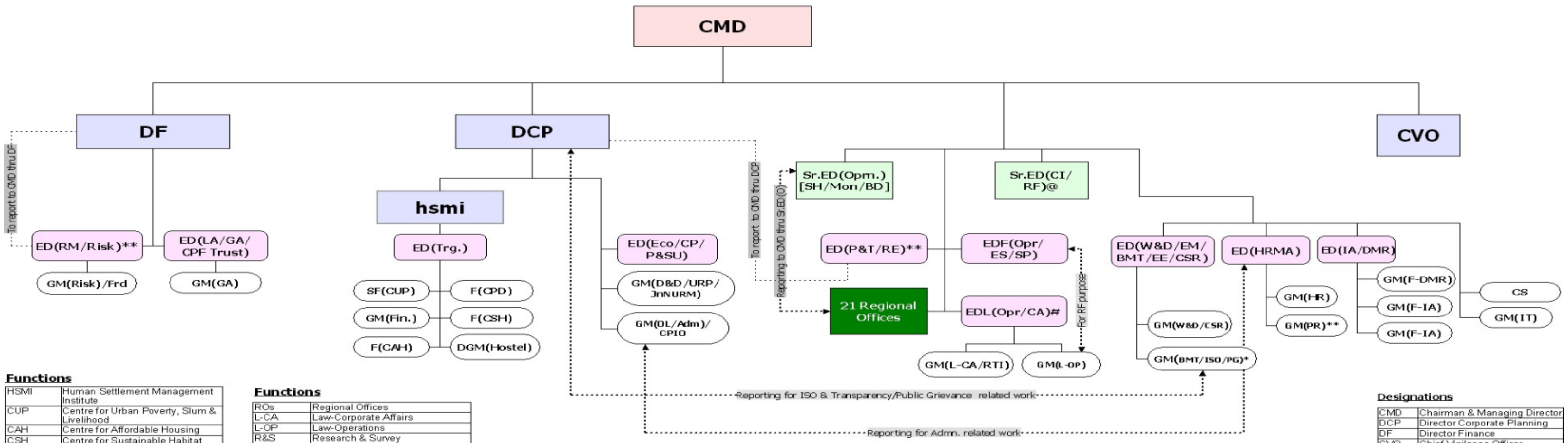
No officer or other employee of our Company is entitled to any benefit upon termination (superannuation) of his employment in our company, other than leave encashment, if any and the statutory benefits such as provident fund and gratuity, except under the HUDCO medical attendance scheme.

Organization Chart

Our Company’s management organizational structure is set forth below:

Organization Chart of HUDCO
(Key Positions as on October 2015)

As per HRMA/OO 688/dtd.01.05.2014
OO 1229/01.10.2014 for EDL(CA)
OO 1862/30.06.2015 For ED(P&T) & ED(RM)



Functions

HSMI	Human Settlement Management Institute
CUP	Centre for Urban Poverty, Slum & Livelihood
CAH	Centre for Affordable Housing
CSH	Centre for Sustainable Habitat
Fin./RM	Finance & Resource Mobilization
Frd	Fraud Cell
CPD	Centre for Projects Development & Management
ES	Emerging Sectors
SH&CI	Social Housing & Core Infrastructure
P&T	Power & Transport
RF	Retail Finance
RE	Real Estate
RM	Resource Mobilization
Risk	Risk Management
DMR	Default Monitoring & Resolution
LA	Loan Accounts
GA	General Accounts
D&D/URP	Design & Development/ Urban Regional Planning
W&D	Works & Disposal
EM	Estate Management
CSR	Corp.Social Responsibility

Functions

ROs	Regional Offices
L-CA	Law-Corporate Affairs
L-OP	Law-Operations
R&S	Research & Survey
BMT	Building Material & Technology
JNRM	Jawaharlal Nehru National Urban Renewable Mission/
CP/EPAC/PSU	Corp.Planning/ Economic Policy & Analysis / Parliament & Statistical Unit
IT	Information Technology
EE	Environmental Engineering
OL	Official Language
PR	Public Relation
IA	Internal Audit
HRMA	Human Resource Management & Administration
Adm	Human Resource/ Administration
Trg.	Training
CPIO	Central Public Information Officer
PG	Public Grievance
Hostel	Hostel at Asiad Village, Khelgaon Complex

@Also designated as Sr.ED(Innovation) & reporting to CMD directly.
#Also looking after Law-Corp.Affairs & reporting to CMD vide OO 1229/dtd.01.10.2014
*Nominated as Transparency Officer & Officer-In-Charge for Public Grievance
**GM(PR) reporting thru ED(HR) vide OOdtd31.07.2014 , ED(P&T/RE) reporting thru DCP & ED(RM) report thru DF vide OO 1862/dtd.30.06.2015 to CMD.

Designations

CMD	Chairman & Managing Director
DCP	Director Corporate Planning
DF	Director Finance
CVO	Chief Vigilance Officer
Sr.ED	Senior Executive Director
ED	Executive Director
GM	General Manager
SF/F	Senior Fellow/ Fellow
DGM	Dy. General Manager
CS	Company Secretary (GM level)

Key Positions upto GM level only

OUR PROMOTER

Our Promoter is the President of India. Our Promoter holds the entire (100%) equity share capital of our Company, either directly or through nominee shareholders.

Promoter holding in the Company as on the date of this Draft Shelf Prospectus is as under:

S. no.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	No. of Equity Shares pledged	Percentage of Equity Shares pledged	Total shareholding as a percentage of the total number of Equity Shares
1.	The President of India	2,00,18,993	2,00,18,993	Nil	Nil	99.99%
2.	Mr. Rajiv Ranjan Mishra*	1	1	Nil	Nil	Negligible
3.	Mrs. Jhanja Tripathy*	1	1	Nil	Nil	Negligible
4.	Mr. R.S. Singh*	1	1	Nil	Nil	Negligible
5.	Mr. T.K.. Majumdar*	1	1	Nil	Nil	Negligible
6.	Ms Archana Mittal *	1	1	Nil	Nil	Negligible
7.	Mr. SB Sinha*	1	1	Nil	Nil	Negligible
8.	Mr. Angna Ram*	1	1	Nil	Nil	Negligible
	Total	**2,00,19,000**	**2,00,19,000**			**100.00%**

Holders from serial no. 2 to 8 are Nominee shareholders (including two Govt. nominee directors) on behalf of the President of India.

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

Nil

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

N. A.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's outstanding secured borrowings of Rs. 15,365.87 crores and unsecured borrowings of 6,184.35 crores, as on September 30, 2015, together with a brief description of certain significant terms of such financing arrangements.

I Secured borrowings availed by our Company

I.1 Loans

Set forth below is a brief summary of our secured term loan from Bank of India, outstanding against which is Rs. 74.13 crore as on September 30, 2015:

Name of lender	Facility granted and loan documentation	Facility (Rs. in crores)	Amount outstanding as on September 30, 2015 (Rs. in crores)	Rate of interest (% p.a.)	Security	Repayment schedule
Bank of India	Term loan agreement dated February 10, 1999	150.00	74.13	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 11.14% 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**	**74.13**			

I.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. 5,00,000.00 each, having an outstanding of Rs. 49.50 crore, issued by our Company to Bank of India under series C on private placement basis (as on September 30, 2015). These bonds are listed on the DSE.

Name of Trustee	Facility granted and loan documentation	Facility (Rs. in crores)	Amount outstanding as on September 30, 2015 (Rs. in crores)	Rate of interest (% p.a.)	Security	Repayment schedule
UTI Bank Limited*	Bond Series C	49.50	49.50	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, 2015 to June 10, 2022
Total		**49.50**	**49.50**			

* *Now Axis Bank Limited*

1.3 Refinance Assistance from National Housing Bank

Our Company has obtained refinance assistance of Rs. 3,450.00 crores under Rural Housing Fund sanctioned by the NHB. As of September 30, 2015, Rs. 2,702.77 crores 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 September 30, 2015 (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	117.00	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. 12,388.47 issued during FY 2011-12, 2012-13 and 2013-14 and tax-free bonds proposed to be issued during FY 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	136.00	6.25%		
	250.00	157.40	6.75%		
	500.00	351.85	6.75%		
	500.00	388.89	8.00%		
	555.00	472.76	6.85%		
	195.00	166.08	7.10%		
	500.00	474.34	7.35%		
	229.00	223.12	7.35%		
	221.00	215.33	7.35%		
Total	**3,450.00**	**2,702.77**			

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. The details of the bonds, as on September 30, 2015, are mentioned below:

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding as on September 30, 2015(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 Company reserves the right to create first pari-passu charge
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	

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding as on September 30, 2015(Rs. in crores	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
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	on present and future receivables for its present and future financial requirements
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	
Total	**657.8**		**657.8**				

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 and 2013 of face value of Rs. 1,000.00 to the public. The details of the bonds, as on September 30, 2015, are mentioned below:

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding as on September 30, 2015(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 September 30, 2015 (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	

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding as on September 30, 2015 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
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	
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	

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding as on September 30, 2015 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
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	
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	

Nature of Bond	Total issue amount (Rs. in crores)	Date of Allotment	Amount outstanding as on September 30, 2015 (Rs. in crores)	Interest rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment date and schedule	Security
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	
Total	**11,882.39**		**11,882.39**				

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

II. Unsecured borrowings availed by our Company

Details of Unsecured Loan Facilities as on September 30, 2015

II.1Bonds

II.1.1 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. 3308.20 crores is outstanding as on September 30, 2015. All bonds are currently listed on NSE, unless specified otherwise.

Nature of Bond	Total value of bonds (Rs. in crores)	Date of Allotment	Amount outstanding, as on September 30, 2015 (Rs. in crores)	Interest /coupon rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment terms and schedule	Rating
7.30% taxable (XXXVII-A)	34.60	January 20, 2006	34.60	7.30	10	Repayable at the end of 10 years from the date of allotment i.e. January 20, 2016 with a put/call option exercisable at the end of 5 years.	CARE-AAA and ICRA-AAA

Nature of Bond	Total value of bonds (Rs. in crores)	Date of Allotment	Amount outstanding, as on September 30, 2015 (Rs. in crores)	Interest /coupon rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment terms and schedule	Rating
7.50% taxable (XXXVII-B)	16.80	January 20, 2006	7.40	7.50	10	Repayable at the end of 10 years from the date of allotment i.e. January 20, 2016 with a put/call option exercisable at the end of 7 years.	CARE-AAA and ICRA-AAA
7.80% taxable (XXXVII-C)	590.00	January 20, 2006	590.00	7.80	10	Repayable at the end of 10 years from the date of allotment i.e. January 20, 2016	CARE-AAA and ICRA-AAA
8.05% taxable (XXXIX-A)	17.60	March 29, 2006	14.70	8.05	10	Repayable at the end of 10 years from the date of allotment i.e. March 29, 2016 with a put/call option exercisable at the end of 5 years.	CARE-AAA and ICRA-AAA
8.12% taxable (XXXIX-B)	1.90	March 29, 2006	1.90	8.12	10	Repayable at the end of 10 years from the date of allotment i.e. March 29, 2016 with a put/call option exercisable at the end of 7 years.	CARE-AAA and ICRA-AAA
8.35% taxable (XXXIX-C)	160.40	March 29, 2006	160.40	8.35	10	Repayable at the end of 10 years from the date of allotment i.e. March 29, 2016	CARE-AAA and ICRA-AAA
8.60% taxable (Series 1-A) 2006-07	38.20	August 29, 2006	38.20	8.60	10	Repayable at the end of 10 years from the date of allotment i.e. August 29, 2016 with a put/call option at the end of 3 years	CARE-AAA and ICRA-AAA
8.85% taxable (Series 1-B) 2006-07	14.50	August 29, 2006	13.50	8.85	10	Repayable at the end of 10 years from the date of allotment i.e. August 29, 2016 with a put/call option exercisable at the end of 5 years.	CARE-AAA and ICRA-AAA

Nature of Bond	Total value of bonds (Rs. in crores)	Date of Allotment	Amount outstanding, as on September 30, 2015 (Rs. in crores)	Interest /coupon rate (% p.a.)	Tenor/ Maturity (No. of Years)	Repayment terms and schedule	Rating
9.30% taxable (Series 1-D) 2006-07	128.80	August 29, 2006	128.80	9.30	10	Repayable at the end of 10 years from the date of allotment i.e. August 29, 2016	CARE-AAA and ICRA-AAA
8.65% taxable (Series 2-A) 2006-07	203.00	November 29, 2006	55.00	8.65	10	Repayable at the end of 10 years from the date of allotment i.e. November 29, 2016 with a put/call option exercisable at the end of 3 years	CARE-AAA and ICRA-AAA
8.75% taxable (Series 2-B) 2006-07	27.00	November 29, 2006	26.50	8.75	10	Repayable at the end of 10 years from the date of allotment i.e. November 29, 2016 with a put/call option exercisable at the end of 5 years	CARE-AAA and ICRA-AAA
9.05% taxable (Series 2-C) 2006-07	369.80	November 29, 2006	369.80	9.05	10	Repayable at the end of period of 10 years from the date of allotment i.e. November 29, 2016	CARE-AAA and ICRA-AAA
9.40% taxable 2011 series A	253.50	September 22, 2011	253.50	9.40	5	Bonds will mature at the end of 5 years from the date of allotment and will be repayable on September 22, 2016	CARE-AAA and IRRPL-'IND AAA'
9.75% taxable HBS 2011 series B	413.90	November 18, 2011	413.90	9.75	5	Bonds will mature at the end of 5 years from the date of allotment and shall be repayable on November 18, 2016	CARE-AAA and IRRPL-'IND AAA'
8.92% taxable HBS 2012 Series A	500.00	November 02, 2012	500.00	8.92	5	Bonds will mature at the end of 5 years from the date of allotment and shall be repayable on November 2, 2017 with a put/call option exercisable at the end of 3 years.	CARE-AAA and IRRPL-'IND AAA'

Nature of Bond	Total value of bonds (Rs. in crores)	Date of Allotment	Amount outstanding, as on September 30, 2015 (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'
Total	**3,470.00**		**3,308.20**				

II.2 Loan from Government of India

Set forth below is a brief summary of the loan obtained from Kreditanstalt Fur Wiederaufbau, Germany ("**KFW**"), through the Government of India aggregating up to Rs.52.96 crores of which Rs. 0.17 crore is outstanding as on September 30, 2015:

Name of Lender	Facility granted and loan documentation	Total loan amount (Rs. crores)	Amount outstanding, as on September 30, 2015 (Rs. in crores)	Rate of interest (% p.a.)	Repayment schedule
Kreditanstalt Fur Wiederaufbau through the Government of India	Line of credit through various sanction letters from Ministry of Urban Development, GoI dated March 27, 1991, June 19, 1991, December 11, 1992, March 30, 1992 and September 2, 1993 for release of loan amount to our Company.	52.96*	0.17	6 % p.a. with rebate of 0.25% for prompt payment	Each tranche is repayable in one lump sum after 22 years from the date of drawal i.e different dates from July 4, 2013 to November 11, 2015.
	Total	**52.96**	**0.17**		

* *Drawn in four tranches.*

*II.3 Overdraft/Cash Credit facilities from banks**

Below is a brief summary of the cash credit/overdraft facilities availed by our Company as on September 30, 2015. The outstanding against which is Rs. 44.77 crore as on September 30, 2015:

Name of the lender	Total loan amount (Rs. crores)	Amount outstanding as on September 30, 2015 (Rs. crores)	Rate of interest (%)	Repayment schedule
State Bank of India	500	0.00	9.70	Repayable on demand
Deutsche Bank	200	44.77	9.35	Repayable on demand
Bank of Baroda	1,000	0.00	9.90	Repayable on demand
United Bank of India	700	0.00	9.90	Repayable on demand
UCO Bank	250	0.00	9.95	Repayable on demand
Indian Bank	250	0.00	9.95	Repayable on demand
Allahabad Bank	100	0.00	9.95	Repayable on demand
State Bank of Hyderabad	350	0.00	9.95	Repayable on demand
Union Bank of India	300	0.00	10.00	Repayable on demand

Name of the lender	Total loan amount (Rs. crores)	Amount outstanding as on September 30, 2015 (Rs. crores)	Rate of interest (%)	Repayment schedule
Punjab National Bank	700	0.00	10.00	Repayable on demand
Vijaya Bank	500	0.00	10.00	Repayable on demand
Canara Bank	250	0.00	10.00	Repayable on demand
Oriental Bank of Commerce	100	0.00	9.70	Repayable on demand
Andhra Bank	200	0.00	9.75	Repayable on demand
Bank of India	300	0.00	9.95	Repayable on demand
Total		**44.77**		

** As per Basel-II requirements, credit rating of A1+ by CARE and INDA1+ by IRRPL has been assigned to the aforesaid credit facilities availed from banks*

*II.4 Short Term Borrowings from Banks **

Below is a brief summary of the Short term borrowings of Rs. 238 crore availed by our Company as on September 30, 2015. The outstanding against which is Rs. 238 crore as on September 30, 2015:

Name of the lender	Total loan amount (Rs. crores)	Amount outstanding as on September 30, 2015 (Rs. crores)	Rate of interest (%)	Repayment schedule
CTBC Bank	20.00	20.00	9.40	November 11, 2015
CITI Bank	49.00	49.00	9.35	November 24, 2015
	49.00	49.00	9.35	December 1, 2015
	20.00	20.00	9.35	December 3, 2015
HDFC Bank	50.00	50.00	9.35	February 17, 2016
	50.00	50.00	9.35	February 18, 2016
	238.00	238.00		

** As per Basel-II requirements, credit rating of A1+ by CARE and IND A1+ by IRRPL has been assigned to the aforesaid credit facilities availed from banks.*

II.5 Public deposits/Interest bearing cash securities

Below is a brief summary of the public deposits and interest bearing cash securities obtained by our Company as on September 30, 2015:

Nature of facility	Total amount of deposits (Rs. in crores)	Amount outstanding, as on September 30, 2015(Rs. in crores)	Average rate of interest (% p.a.)	Repayment schedule	Rating
Public deposits	2028.65	2028.65	8.93%	Repayable over a period of one to seven years	CARE- AAA, IRRPL-'IND AAA' and ICRA- AA+
Interest bearing Cash securities (Lotus Hospital)	8. 26	8. 26	8.25%	Repayable from June 7, 2020 to June 30, 2020	-

II.6 Loans in foreign currency

The following is a brief summary of the outstanding foreign currency loans of Rs. 448.43 crores obtained by our Company as on September 30, 2015:

Name of the lender	Facility granted and loan documentation	Facility	Amount outstanding, as on September 30, 2015	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 3196.623 million (Rs. 178.79 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 49.417 million (Rs. 269.64 crore)	Six month USD LIBOR plus 0.40 % p.a. payable semi-annually	Repayable in unequal instalment on December 15th and June 15th of every year from 2002 to 2022. Due for repayment by June 15, 2022

* A*s per the provisions of the loan agreement entered with ADB, HUDCO has agreed that if it creates any lien on any of its assets as security for any debt, such lien will ipso facto equally and rateably secure the payment of the principal of, and interest and other charges on the loan and HUDCO in creating or permitting the creation of any such lien, will make express provisions to that effect.*

II.7 Loan from US capital markets

Below is a brief summary of the outstanding loan amount of Rs. 107.87 crores of the 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 September 30, 2015:

Loan documentation	Facility (USD million)	Amount outstanding, as on September 30, 2015	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 15.00 million (Rs. 77.35 crore)	6 month LIBOR for USD + 0.035%	Repayable in 40 equal consecutive semiannual 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 7.00 million (Rs. 30.52 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 provided by our Company as on date of this Draft Shelf Prospectus:

Lender in whose favour the guarantee extended	Guarantee documentation	Name of the counterparty	Amount of the guarantee (Rs. in crore)	Validity (The Guarantee is valid upto)
Bank of Baroda	Deed of counter guarantee dated November 2, 2012	Hindustan Aeronautics Limited *	0.06	April 21, 2017.
Indusind Bank	Deed of counter guarantee dated March 15, 2013	National Housing Bank **	50.00	March, 18 2016.
Bank of Baroda	Deed of counter guarantee dated March 19, 2013	National Housing Bank ***	137.50	March, 18 2016.
Vijaya Bank	Deed of Counter guarantee dated April 5, 2013	National Housing Bank ****	125.00	April 7, 2016.
Axis Bank	Deed of Counter guarantee dated December 12, 2013	National Housing Bank. *****	125.00	December 15, 2016.
Indusind Bank	Deed of Counter guarantee dated May 28, 2014	National Housing Bank. ******	125.00	June 1, 2017.
Axis Bank	Deed of Counter guarantee dated May 28, 2014	National Housing Bank. ******	62.50	June 1, 2017.
Canara Bank	Deed of Counter guarantee dated December 23, 2014	National Housing Bank. *******	237.50	December 25, 2017
	Total		**862.56**	

**This counter guarantee was extended against bank guarantee issued in favour of Hindustan Aeronautics Limited as performance guarantee for design and consultancy services/ contracts for construction of type A, B, C, D quarters and allied services at Hindustan Aeronautics Limited, Bangalore.*

*** This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of Rs. 250 crore availed under Rural Housing fund.*

******** This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of Rs. 750 crore availed under Rural Housing fund(in three tranches of Rs.250 crore each.).*

********* This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of Rs.500 crore availed under Rural Housing fund.*

******This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of Rs.500 crore availed under Rural Housing fund.*

******* This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of Rs.750 crore availed under Rural Housing fund.*

********This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of Rs.950 crore availed under Rural Housing fund and Urban Housing Fund.*

IV. 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 September 30, 2015, our Company has not issued any debt securities at a premium or at a discount, since incorporation:

(a) By virtue of a 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. 10,00,000.00, in the nature of secured, redeemable, non-convertible debentures (“2015 (Series-A) Private Placement Bonds”) on a private placement basis aggregating to Rs. 151.00 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. 30.00 crore at a premium of Rs. 0.03 for every Rs. 100, and Rs. 1.00 crore at a premium of Rs. 0.04 for every Rs. 100).

(b) By virtue of a 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.

(c) 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 on September 30, 2015 (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. 2013	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	5,831.50	0.00*	Repayable at the end 49 days from the date of allotment i.e. on May 30, 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 28, 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 dated 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 dated 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 60 days from the dated 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 60 days from the dated of allotment i.e. on June

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 on September 30, 2015 (Rs. crores)	Redemption terms
						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 dated of allotment i.e. on August 21, 2015

** As on date, these commercial papers have been repaid by our Company*

V. 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
1.	8.92% taxable 2012 bond series (A)	November 2, 2012	500.00	Put/call option exercisable at the end of three years	November 02, 2017

VI. Details of commercial paper (in the nature of Usance promissory notes) issued by our Company during FY 2015-16

Nature of paper	Total value (Rs. crores)	Date of allotment	Amount outstanding as on September 30, 2015 (Rs. crores)	Interest/ yield rate (% p.a.)	Redemption terms
8.05% CP Series A 2015	1,000.00	April 13, 2015	0.00*	8.05	Repayable at the end 46 days from the dated of allotment i.e. on May 29, 2015
8.07% CP Series B 2015	500.00	April 17, 2015	0.00*	8.07	Repayable at the end 46 days from the dated of allotment i.e. on June 16, 2015
8.20% CP Series C 2015	500.00	April 23, 2015	0.00*	8.20	Repayable at the end 46 days from the dated of allotment i.e. on June 22, 2015
7.95% CP Series D 2015	1,100.00	June 22, 2015	0.00*	7.95	Repayable at the end 60 days from the dated of allotment i.e. on August 21, 2015

** As on date, these commercial papers have been repaid by our Company.*

VII. 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)

VIII. Top Ten Lenders of Term Loan (as on September 30, 2015)*

S. No.	Name of Party	Rs. in crore
1	National Housing Bank	2,702.77
2	Bank of India (KM)	74.13

** Top 10 Term loan lenders have been shown on a cumulative basis of all outstanding term loans*

IX. Top Ten Bondholders (as on September 30, 2015)*

S.No.	Name of Party	Rs. in Crore
1	CBT EPF-05-C-DM	740.80
2	Hindustan Zinc Limited	535.00
3	Punjab National Bank	374.40
4	BSE Limited	241.94
5	The New India Assurance Company Limited	200.00
6	Postal Life Insurance Fund A/C Sbifmpl	180.00
7	Axis Bank Limited	142.84
8	Export- Import Bank Of India	137.72
9	Bank Of Baroda	115.00
10	Deutsche Trustee Services (India) Private Limited A/C Dws Pr	90.00

** Top 10 holder's of bonds have been shown on a cumulative basis of all outstanding bonds.*

X. As on the date of this Draft Shelf Prospectus, our Company has not made any 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 guarantees issued by HUDCO, in the past 5 years:

Restrictive Covenants: Our Company shall not without the prior written permission of the trustees:

a. Radically change its accounting system
b. Change its Memorandum and Articles of Association affecting the rights of the bondholders.
c. Effect any scheme for amalgamation merger or reconstruction.
d. Utilize any portion of the amounts raised by the bonds for purposes other than those for which the same are issued.

XI. Matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default.

1. NHB Refinance

Facility granted and loan documentation	Total amount obtained (in Rs. crores)	Total amount outstanding as on September 30, 2015 (in Rs. crores)	Term and Conditions
Long term loan via memorandum of agreement dated February 5, 2009	250.00	117.00	• **Rechudulement**: NIL • **Penalty:** NIL • **Default:** NIL • **Prepayment:** The Company availing the refinance assistance from National Housing Bank, may repay the whole or any part of the amount earlier than the due date by giving two months notice in writing to National Housing Bank of its intention to effect such repayment before the due date.
	250.00	136.00	
	250.00	157.40	
	500.00	351.85	
	500.00	388.89	
	555.00	472.76	
	195.00	166.08	
	500.00	474.34	
	229.00	223.12	
	221.00	215.33	

2. Loan Agreement dated November 6, 1997 between Asian Development Bank and Housing and Urban Development Corporation Limited:

Facility granted and loan documentation	Facility (in Rs. crores)	Total amount outstanding as on September 30, 2015 (in Rs. crores)	Term and Conditions
Long term loan via memorandum of agreement dated February 5, 2009	USD 100 million	USD 49.417 million (Rs. 269.64crore)	• **Reschedulement**: NIL • **Penalty:** NIL • **Default:** NIL • **Prepayment:** (a) If interest is payable at the Floating Interest Rate in respect of amounts withdrawn from the Loan Account, the Borrower may, upon at lease 30 Banking Days prior written notice of its intention to prepay and upon payment of (i) all accrued interest on the principal amount of the Loan to be prepaid and (ii) a prepayment fee equal to 0.125 percent of the principal amount of the Loan to be prepaid, prepay, on any Interest Payment Date, all or a part of the principal amount of the Loan withdrawn and then outstanding; provided that, in the case of partial prepayment, such prepayment shall be (i) applied to prepay the outstanding repayment instalments of the Loan in inverse order of maturity and (ii) in an amount equal to one or more of the outstanding repayment instalments. The Borrower's notice of intention to prepay shall be irrevacable unless it is withdrawn by facsimile or telex notice to be Bank no later than 10 Banking Days prior to the proposed prepayment date. (b) If interest is payable at one or more Fixed Payment Rates, Reset Fixed Interest Rates, Optional Fixed Interest Rates (or at the Consolidated Fixed Interest Rate, if applicable) or optional Floating Interest Rate in respect of amounts withdrawn from the Loan Account, the Borrower may, upon atleast 30 Banking Days prior written notice of its intention to prepay and upon payment of (i) all accrued interest on the principal amount of the Loan to be prepaid, (ii) a prepayment fee equal to 0.125 percent of the principal amount of the Loan to be prepaid, and (iii) such charges (the Prepayment Charge) as is determined by the Bank in its sole discretion in accordance with paragragh (c) of this section to be the Bank's redeployment cost, if any, prepay on any Interest Payment Date all or a part of the principal amount of the Loan withdrawn

Facility granted and loan documentation	Facility (in Rs. crores)	Total amount outstanding as on September 30, 2015 (in Rs. crores)	Term and Conditions
			and then outstanding; provided that, in the case of partial prepayment, such prepayment shall be (i) applied to prepay the outstanding repayment instalments of the Loan in inverse order of maturity and (ii) in an amount equal to one or more of the outstanding repayment instalments but no less than $2,000,000 in the aggregate. The Bank shall advise the Borrower of the estimated Prepayment Charge, if any, at least 15 Banking Days prior to the prepayment date. The Borrower shall confirm its intention to prepay by facsimile or telex notice to the Bank at least 10 Banking Days prior to the prepayment date, whereupon such confirmation shall become irrevacable. If such confirmation is not received within the specified period, the Borrower's notice to prepay shall be deemed withdrawn. The Bank shall notify the Borrower by facsimile or telex of the actual Prepayment Charge, if any, at least five Banking Days prior to the prepayment date. (c) The Prepayment Charge payable upon any prepayment in accordance with paragraph (b) of this Section, other than prepayments of amounts payable at an Optional Floating Interest Rate, shall be the amount equal to the Incoome Stream Differential, discounted back to the prepayment date from each of the relevant Interest Payment Dates at a discount rate equal to the Swap Rate as of the date seven Banking Days prior to such repayment date. For the purpose of this paragraph, "Income Stream Differential" mean (i) interest payments that could have been due on the principal amount of the Loan to be prepaid for the remaining term of the Loan, assuming that no prepayment had taken placem that the schedule of principal payments had been adhered to and that all payments had been made on their respective due dates less (ii) the interest payments that would have been due on the principal amount of the Loan to be prepaid for the remaining term of the Loan if interest had been calculated at a rate equal to the sum

Facility granted and loan documentation	Facility (in Rs. crores)	Total amount outstanding as on September 30, 2015 (in Rs. crores)	Term and Conditions
			of (A) the Swap Rate as of a date seven Banking Days prior to the prepayment date plus (B) the margin included in the interest rate(s) the applicable to such principal amount, assuming that no prepayment had taken place, that the schedule of principal payments had been adhered to and that all payments had been made on their respective due dates. (d) The Prepayment Charge payable upon any prepayment in accordance with Section 2.11(b), in respect of amounts payable at an Optional Floating Interest Rate, shall equal the interest payments that would have been due on that portion of the principal amount of the Loan payable at the rate equal to the Swap Rate Diffirential to be paid for the remaining term of the Loan, discounted back to the prepayment date from each of the relevant Interest Payment Dates at a rate equal to the Swap Rate as of the date seven Banking Days prior to such prepayment date, and assuming that no prepayment had taken place, that the schedule of principal payments for that portion of the principal amount of the Loan payable at an Optional Floating Interest Rate had been adhered to and all payments had been on their respective due dates. (e) Any amount prepaid pursuant to this Section may not be reborrowed under this Loan Agreement.

3. Paying and Transfer Agency Agreements executed between HUDCO and the Riggs Bank N.A. and consented to by USAID:

Loan documentation	Facility (USD million)	Amount outstanding, as on September 30, 2015	Terms and Conditions
Paying and transfer agency agreement dated September 15, 2000 between HUDCO and the Riggs Bank N.A. and consented to by USAID	20	USD 15.00 million (Rs. 77.35 crore)	• **Reschedulement**: NIL • **Penalty:** NIL • **Default:** NIL • **Prepayment:** (a) pursuant to the paragraph 10 and 12 of the Notes, the Notes are subject to prepayment in whole or in part on or

Loan documentation	Facility (USD million)	Amount outstanding, as on September 30, 2015	Terms and Conditions
Paying and transfer agency agreement dated September 24, 1999 between HUDCO and the Riggs Bank N.A. and consented to by USAID	10	USD 7.00 million (Rs. 30.52 crore)	after September 15, 2010, and pursuant to paragraph 11 and 12 of the Notes, the Notes are subject to prepayment in whole or in part at any time at the discretion of USAID. Unless such notices is waived by the Paying Agent, the Paying Agent shall receive written notice of prepayment no earlier than the 60th day and no later than the 5th Business Day prior to the 30th day prior to any date on which the Notes are to be prepaid, of the extact amount of principal to be paid on such date: (i) from the Borrower after receipt by the Borrower of the written consent of USAID if an election is made by the Borrower to prepay the Notes pursuant to paragraph 11 of the Notes or (ii) from USAID if USAID requires from the Borrower to prepay the Notes pursuant to paragraph 12 of the Notes. Prior to the giving of any notice by USAID to Paying Agent pursuant to clause (ii) of the preceding sentence, USAID shall have (x) notified the Borrower in writing of the material breach of either of the Program Agreement, (y) allowed the Borrower a period (the “Cured Priod”) specified in its notification of such breach (but in no less than 30 days) to rectify such breach and (z) upon the expiration of such Cure Period and the failure of the Borrower to rectify such breach, notified the Borrower in writing of its determination to require a prepayment of the Notes pursuant to paragraph 12 of the Notes, such notice to specify the amount of prepayment. (b) The Paying Agent shall provide each registered Noteholder of Notes to be prepaid, at least 30 but not more than 60 calendar days prior to the date of prepayment, with written notice in substantially the form set forth in Attachment 3 hereto specifying the principal amount of Notes to be prepaid, the date for such prepayment, the price at which the Notes are to be prepaid and, in the case of partial prepayment, the aggregate principal amount of the Notes outstanding and the portion of each outstanding Note to be prepaid. For purposes of this Agreement and the Notes, the date for any prepayment shall be deemed to be a “Payment Date” and

Loan documentation	Facility (USD million)	Amount outstanding, as on September 30, 2015	Terms and Conditions
			the date on which notice of prepayment is given to the Noteholders shall be deemed to be the "Record Date" for such Payment Date. Notwithstanding anything to the contrary contained herein, in the event that any such writeen notice of prepayment is given to Noteholders, the failure of USAID to have given its consent shall not affect the right of the registered Holder hereof to prepayment by the Borrower as set forth in such notice. (c) If less than the entire unpaid principal amount of all the Notes outstanding is to be prepaid, the Paying Agent shall allocate the amount to be applied to the prepayment of Notes on a pro rata basis as to all the Notes outstanding. The method of payment of the Noteholdings in connection with any prepayment shall be the same as that followed by regular payments under this Agreement.

XII. Borrowing powers of the Board

Pursuant to a Special resolution passed by the shareholders of our Company in EGM dated September 5, 2015, and in accordance with the provisions of the Companies Act, 2013, 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. 40,000.00 crore.

The Issue is being made pursuant to the resolutions passed by the Board on July 20, 2015.

XIII. Brief Note on Public Offers

(a) Our Compay 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.

(b) Our Company 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.

(c) Our Company 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.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

As on date of this Draft Shelf Prospectus, there are no defaults or non-payment of statutory dues including institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company. Except as described below, there are no outstanding litigations against our Company that may have an adverse effect on our business.

Save and except as disclosed herein below, there are no pending proceedings/litigations pertaining to:

- *matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature;*
- *litigation involving our Company, our Director or any other person, whose outcome could have material adverse effect on the position of our Company;*
- *proceedings initiated against our Company for economic offences;*
- *matters pertaining to default and non-payment of statutory dues;*
- *matters pertaining to any material frauds committed against our Company in the last 5 (five) financial years; and*
- *Any inquiry, inspections or investigations initiated or conducted under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company.*

Save and except as disclosed herein below:

- *No other prosecutions were filed under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company;*
- *No other fines were imposed under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company; and*
- *No other compounding of offences was done in the last 5 (five) years under the Companies Act 2013 or any previous companies' law in the last 5 (five) years in the case of our Company.*

Further, save and except as disclosed herein there are no matters likely to affect operation and finances of our Company including disputed tax liabilities of any nature and there are no such litigation whose outcome could have material adverse effect on our position and involves our Company, our Directors, our group companies.

Further from time to time, we have been and continue to be involved in legal proceedings filed by and against us, arising in the ordinary course of our business. These legal proceedings are both in the nature of civil and criminal proceedings.

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. 34.00 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. 34.00 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. M/s. Blue Heavens Agro Industries Limited ("**Blue Heavens**") has filed a complaint (No. 39(C)/2010) againstM/s. Friendly Estate and Essentials Private Limited ("**Friendly**") and other including, one of our regional managers, and others, before the CJM, Patna alleging that one of our regional managers had conspired to sanction a loan to Friendly in violation of the terms of the development agreement entered into between Blue Heavens and the land owners of the building over which development was undertaken. The CJM, Patna has taken cognizance of the complaint under sections 420, 467, 471 read with 120B of the IPC. In the meantime Friendly had filed a petition u/s 205 of the Cr. PC seeking exemption from personal appearance, however the same was not allowed by the Hon'ble Court.

Against the said order Friendly had filed a revision petition before ADJ Patna (the Company is not a party to the said revision), which is pending for disposal. Accordingly, the trial is not proceeding as records are called in revision petition.The matter is currently pending.

2. The Union of India, through the Labour Enforcement Officer (Central) has filed a complaint (No. 1342-C/2010) against our Company and certain officials before the CJM, Patna alleging non-compliance of the provisions of the Contract Labour (Regulation & Abolition) Act, 1970 including failure to register the establishment with the appropriate government. Our Company had challenged the lower Court's order by way of Quashing Petition before Hon'ble High Court of Patna the case No. being Cri. Misc. 24300/2012. The Hon'ble High Court of Patna thereby allowing the case in favour of our Company, has been pleased to quash the order of cognizance against Mr. RK Safaya (the then ED) & Mr. Arun Kumar, (the then RC, Patna) on 01.05.2015. Hon'ble High Court's order has been communicated to the lower Court, the matter (bearing No. 1342-C/2010) shall automatically be dropped. The Complaint is yet to be disposed of.

3. M/s. Goswami Developers Private Limited has filed a complaint (No. 1473-C/2009) against our Company and certain of its employees before the CJM, Patna alleging among other things, criminal breach of trust and cheating in relation to non disbursal of a part of the loan sanctioned to it by our Company. The CJM, Patna has taken cognizance of the complaint under sections 406, 420 and 120B ofthe IPC. Our Company and its officials have filed a petition under section 482 of the CrPC before the High Court of Patna for quashing the order of the CJM, Patna taking cognizance of the complaint. The High Court of Patna has granted an interim stay on the order of the CJM, Patna taking cognizance. Our Company has argued for closure of evidence of the Complainant as Complainants has failed to provide evidence dispite many dates and simultaneously discharge of the accused. The request for closure of evidence was allowed by the Hon'ble Court, aggrieved by the said order of closure of evidence, complainant had filed a recalled petition u/s 245 of Cr.PC. The said petition together with the Company's petition for discharge of accussed is pending for adjudication.The matter is currently pending.

B. Other material litigations involving our Company

Our Company, in the ordinary course of its business, is involved in legal proceedings including civil, arbitration, tax and labour matters. Material litigation involving our Company which may adversely affect our business, (wherever quantifiable, involving an amount greater than Rs. 34.00 crores which is less than 1% of the total revenue of our Company for the Fiscal 2015 and 1% of the net worth of our Company as on March 31, 2015) are disclosed below.

Arbitration, writ and other matters of civil nature

1. Our Company has filed a contempt petition (No. 224 of 2008) against the Municipal Corporation of Delhi ("MCD") before the Supreme Court of India, which was finally heard and hon'ble Supreme Court dismissed the Contempt petition vide its order dated March 31, 2014 stating therein that HUDCO is at liberty to pursue its remedy if the same is available under law. The court has also observed that in view of the pendency of the above proceedings in the Supreme Court till the date of order, while considering limitation, the same may be taken note of at that time. HUDCO after obtaining legal opinion and approval of the Competent authority, has filed Execution petition in Delhi High Court for recovery of an amount of Rs. 37,82,58,124/- as on May 31, 2014. The matter was listed on July 23, 2014, after hearing the submissions of HUDCO, the Hon'ble High Court has issued notice to SDMC and also directed SDMC to file affidavit regarding its bank accounts, immovable properties etc. The matter is now listed on Decmber 15, 2015 for further proceedings.

2. MS Shoes East Limited ("**MSSEL**") filed a case (No. 2/1997) against our Company before the Additional District Judge, Delhi challenging the cancellation of the allotment of 9 blocks of guest houses, restaurants, kitchens and shops to MSSEL by our Company and praying for recovery of possession of the aforementioned properties. The case was subsequently transferred to the High Court of Delhi pursuant to its order dated December 17, 2003 and consequently renumbered as No. 1551/2005. Our Company has filed an application dated December 10, 2008 for rejection of plaint. The matter was been referred for mediation by the High Court of Delhi vide order dated November 8, 2012 however Ministry has called off the mediation and now the case will be referred back to High Court of Delhi for further proceedings. The matter is currently pending.

3. MSSEL has filed a suit (No. 1 of 1997) against our Company before the Senior Civil Judge, New Delhi ("**SCJ**") challenging the cancellation of allotment of a hotel plot to MSSEL by our Company. The SCJ pursuant to its order dated July 3, 2010 has invalidated the cancellation of the hotel plot by our Company. Our Company has filed an appeal dated August 14, 2010 before the District Judge, New Delhi. Subsequently, the Additional District Judge, New Delhi after hearing the submissions has dismissed the appeal of HUDCO vide its order dated July 18, 2014. HUDCO has filed the Second appeal No. 362/ 2014 in the High Court challenging the order dated July 18, 2014. The matter is currently pending.

4. The Centre for Public Interest Litigation ("**CPIL**") has filed a writ petition (No. 573 of 2003) against our Company and others before the Supreme Court of India alleging among other things, arbitrary use of power in the sanctioning of loans amounting to Rs. 14,500.00 crores, release of Rs. 8,500.00 crores, subscription in privately placed debentures of Rs.1,250.00 crores and write off of Rs. 550.00 crores in financial year 2002-03. CPIL prayed for an investigation by an independent investigative agency into the affairs of our Company, among other reliefs. Pursuant to the above, the Central Vigilance Commission ("**CVC**") conducted a vigilance audit, enquiry and submitted a report dated March 27, 2006 reporting irregularities in certain lending decisions of our Company. Our Company has filed objections dated September 20, 2006 against the report of the CVC before the Supreme Court. The writ petition is currently pending in Hon'ble Supreme court.

5. The International Human Rights Association has filed a writ petition (No. 8254 of 2010) in Patna high court against the Union of India, our Company and others alleging irregularities in the award of a contract to Samadhan Sewa 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. The matter is currently pending.

6. M/s North Eastern India Trust for Education and Development, the petitioners in the case, has filed a contempt case (C) (SH) No. 26 of 2012 in writ petition (C) (SH) 371 of 2011 before of Hon'ble High Court of Guwahati against Mr. V.P.Baligar, in his capacity as the then Chairman and Managing Director of our Company and Ms. Nalini Hazarika, in her capacity as then Regional Chief of our Company's Guwahati regional office, for alleged non compliance of the order dated April 27, 2012 of the Gauhati high court for one time settlement with the petitioners. The Court has issued a notice dated September 24, 2012 [(CC(C)(SH)No.26/2012/1400-1401] seeking reasonable cause for not initiating proceedings under the Contempt of Court Act, 1971. The Orders of Hon'ble High Court of Guwahati were challenged by our Company through Special Leave Petition (C) No. 17380 – 17381/ 2014 in the Hon'ble Supreme Court of India and both the Orders of the Hon'ble High Court of Guwahati are stayed vide Order date August 19, 2014. Pursuant to the Order dated August 19, 2014 of the Apex Court, the hon'ble High Court of Guwahati vide Order dated January 27, 2015 directed for the listing of contempt case after disposal of the Special Leave Petition of our Company. The matter is currently pending.

7. M/s Jindal Energy Generation Private Limited ("JEGPL") has filed a counter claim (O.A. No. 163/2012) through an amendment to their written statement in response to the application filed by our Company in the Debt Recovery Tribunal, Jabalpur, in which our Company has sought to recover a sum of Rs. 18.27 crore from JEGPL as the principal amount along with interest due on a loan of Rs. 13.12 crore extended by our Company to Lotus Hospitals for construction of a 6 MQ Biomass Base Power Plant by JEGPL. In this counter claim, JEGPL has claimed that our Company delayed in disbursement of some of the instalments of the loan amounts, and did not release the final disbursement of Rs. 2.99 crore of the loan amount, which resulted in the power plant not being set up, leading to financial and business losses to JEGPL amounting to Rs. 43.41 crore, which amount has been claimed by JEGPL to our Company in this counter claim. Hudco has filed its reply. The matter is currently pending.

Service matters

1. Mr. A.N. Gupta filed a writ petition (No. 6972 of 2002) against the Public Enterprises Selection Board, our Company and others before the High Court of Delhi challenging the termination of his services as Director (Finance) in our Company. The High Court of Delhi, pursuant to an order dated May 8, 2003 dismissed the petition. Against this order, the petitioner preferred a letters patent appeal (No. 398 of 2003) before the division bench of the High Court of Delhi, which was also dismissed pursuant to its order dated February 7, 2006. Mr. Gupta subsequently filed a review petition (No. 121/2006 in LPA No. 398/2003) before the High Court of Delhi, which was also dismissed pursuant to order dated March 24, 2006. Mr. Gupta has now filed a special leave petition dated June 27, 2006 before the Supreme Court of India against the orders dated February 7, 2006 and March 24, 2006 of the High Court of Delhi. The matter is currently pending.

2. Mr. Kulwant Singh filed a writ petition (No. 16002 of 2006) against our Company before the High Court of Delhi challenging his removal from service from our Company. The petition was transferred to the Central Administrative Tribunal, New Delhi ("**CAT**"), which pursuant to its order dated November 29, 2010 quashed the order of removal and directed for payment of among other things, gratuity, full pay and allowances during the period of suspension. Our Company filed a writ petition (No. 756 of 2011) before the High Court of Delhi against the order of the CAT. In the meanwhile, on the contempt petition of Mr. Kulwant Singh, the CAT initiated contempt proceedings (CP(C) 305/2011) against the ex-chairman and managing director of our Company for non compliance of its order dated November 29, 2010. The High Court of Delhi, pursuant to order dated April 5, 2011 has stayed the contempt proceedings pending before CAT till the writ petition is disposed of. The matters are currently pending

3. Mr. D.K. Shrivastava, an ex-employee of our Company filed a complaint dated November 16, 2009 alleging non-payment of certain benefits allegedly accrued to him during a period in which he was suspended from our Company. The Additional Chief Judicial Magistrate passed an order dated July 14, 2010 dismissing the complaint. Mr. Srivastava filed a revision petition before the Court of Special Judge and Additional Session Judge, Jaipur which passed an order dated October 12, 2012 upholding the order dated July 14, 2010. Subsequently, Mr. Srivastava appealed to the High Court of Rajasthan against the order dated October 12, 2012. The High Court of Rajasthan passed an order dated September 12, 2013 upholding the previous orders. Against this order, Mr. Srivastava has filed a special leave petition No. 10113 of 2013 before the Supreme Court of India against the order dated September 12, 2013. The matter is currently pending.

   Additionally Mr. D.K. Shrivastava has recently also filed an application in the Centre Administrative Tribunal, Principal Bench, New Delhi (Bearing O.A. No. 2659/2014), where he has challenged the chargesheet and the consequent dismissal order dated November 29, 2011 paned by HUDCO dismissing him from the service. The matter is currently pending.

4. Mr. K.R. Alva, Ex-Executive Director (Finance), HUDCO was removed from services pursuant to the disciplinary proceedings for giving false information regarding his appointment in HUDCO. Mr. K.R.Alva challenged the same in WP(C) No. 282/2007 before Hon'ble High Court of Guwahati. The Hon'ble High Court by its order dated June 23, 2009 allowed the Writ petition directing reinstatement of the petitioner i.e. Mr. Alva in HUDCO with full back wages. HUDCO filed a writ Appeal NO. 373/2009 in High Court of Guwahati on various grounds including the ground that before the hearing of the writ petition, HUDCO was brought within the purview of the Central Administrative Tribunal and as such, the High Court has no jurisdiction to hear the matter. The writ appellate Court by order dated November 1, 2011 set aside the judgment and transferred the writ petition for adjudication by the Guwahati Bench of Central Administrative Tribunal. On transfer of the case from Guwahati Bench of the Tribunal`, the writ petition was registered as TA No. 4/2011. The Learned Tribunal dismissed the TA vide its order dated January 7, 2013 by the majority opinion (2:1). Thereafter, Mr. Alva has filed a writ petition (C) No. 1667 of 2014 in the High Court of Guwahati, challenging the order of the Learned Tribunal. The case in High Court of Guwahati has been disposed in favour of Mr. K.R. Alva, who has joined the services pursuant to the order of High Court of Guwahati dated October 6, 2015. Now, HUDCO has decided to file a Special Leave Petition in the Hon'ble Supreme Court of India against the order of the Hon'ble High Court of Guwahati.

5. Mr. SK Soneja, an ex-employee of our company has filed a Writ Petition No. 19617 of 2006 in the Hon'ble High Court of Madras challenging the appointment of 9 officials for the post of Chief and Executive Directors of our Company, respectively. The matter currently pending.

6. Mr. S.K. Soneja , an ex-employee of our company has filed a Writ Petition No. 19618 of 2006 in the Hon'ble High Court of Madras to pass appropriate order on the representation of Captain S.K. Soneja dated January 20, 2006 for his promotion to the post of Executive Director. The matter is currently pending.

7. Mr. S.N. Parsuramme Gowda ex employee of the Company has filed a Contempt Petition No. 170/00109/2015 in OA No. 350/2014 before the Learned Central Administrative Tribunal, Bangalore Bench alleging willful non-compliance of the Order dated July 31, 2014 of Learned CAT passed in OA No. 350/2014, by Dr. M. Ravi Kanth, CMD of our Company. Mr. S. N. Parsuramme Gowda and our Company has filed separate Writ Petitions bearing Nos. 43603/2014 (S-CAT) and 55805/2014 (S-CAT) respectively against the Order dated July 31, 2014 of the Learned Central Administrative Tribunal, Bangalore before High Court of Karnataka, Bangalore Bench. The Hon'ble High Court vide its Order dated April 22, 2015 has stayed the operation of the Contempt Proceedings before the Learned Central Administrative Tribunal, Bangalore till disposal of the Writ Petitions {i.e. Writ Petition No. 55805/2014 (S-CAT) of the Company and Writ Petition No. 43603/2014 (S-CAT) of Mr. Gowda filed against the Order dated July 31, 2014 of Learned Central Administrative Tribunal, Bangalore in OA No. 350/2014}.

8. Dr. Harbans Singh Gill filed a Writ Petition (C) No. 4010/ 2006 before the Hon'ble High Court of Delhi against our Company challenging the selection process of recruitments to the post of Executive Director(Projects)/Chief(Projects). The Writ Petition (C) No. 4010/2006 subsequently in 2009 was transferred to Principal Bench, Central Administrative Tribunal (CAT) as TA No. 858/2009. The TA No. 858/2009 of Dr. Harbans Singh Gill was dismissed by the CAT, Principal Bench vide Order dated February 1, 2011. Subsequently, Dr. Harbans Singh Gill by way of Writ Petition (C) No. 3005/2011 before the Hon'ble High Court of Delhi challenged the Order dated February 1, 2011 of the Principal Bench, CAT passed in TA No. 858 / 2009. The Interim Application of Dr. Harbans Singh Gill seeking stay of the impugned Order dated February 1, 2011 has been dismissed by the Hon'ble High Court of Delhi and Rule Nisi has been issued in the matter. The matter is currently pending and will list in the category of "Regular Matters" on its turn.

Tax matters

1. The DCIT passed an assessment order dated March 28, 2014 against our Company demanding an additional amount of Rs. 92.04 crores as tax and penalty payable for assessment year 2006-07 with respect, to among other things, Addition u/s 14 A of the Income Tax Act, Accrued Interest on refund of advance paid on account of property tax to MCD. Against this assessment order, our Company filed an appeal before the Commissioner of Income Tax (Appeals). The matter is currently pending.

2. The DCIT passed an assessment order dated February 27, 2015 against our Company demanding an additional amount of Rs. 66.49 crores as tax and penalty payable for assessment year 2012-13 with respect to among other things, Marked to Market Loss on account of restatement of assets and liabilities, Expenditure on Corporate Social Responsibility, Addition u/s 14 A of the Income Tax Act and revenue derecognition in accounts. Against this assessment order, our Company filed an appeal before the Commissioner of Income Tax (Appeals). The matter is currently pending.

Material developments post March 31, 2015

The following are the material developments of our Company after March 31, 2015, i.e. the date of the last audited financial statements of the Company:

1. In pursuance of the CBDT Notification, our Company has on July 29, 2015, invited offers for arranging/ subscribing for/to tax free secured non-cumulative redeemable no*n*-convertible bonds of face value of Rs. 10,00,000.00 each in the nature of debentures having tax benefits under section 10 (15) (iv) (h) of the Income Tax Act, for an amount of Rs. 100.00 crore with an option to retain over subscription of upto Rs. 1,400.00 crore by way of private placement through the book building process. The private placement issue has opened on July 31, 2015 and closed on July 31, 2015. An amount of Rs. 151.00

crore @ 7.19% p.a. (fixed) has been received under the issue. Post receipts of issue amount, the bonds were allotted on July 31, 2015.

2. In pursuance of the CBDT Notification, our Company has on September 29, 2015 invited offers for arranging/ subscribing for/to tax free secured non-cumulative redeemable no*n*-convertible bonds of face value of Rs. 10,00,000.00 each in the nature of debentures having tax benefits under section 10 (15) (iv) (h) of the Income Tax Act, for an amount of upto Rs. 1349.00 crore by way of private placement through the book building process. The private placement issue has opened on October 1, 2015 and closed on October 1, 2015. An amount of Rs. 1,029.00 crore @ 7.07% p.a. (fixed) has been received under the issue. Post receipt of issue amount, the bonds were allotted on October 1, 2015.

3. In pursuance of the CBDT Notification, our Company has on October 7, 2015 invited offers for arranging/ subscribing for/to tax free secured non-cumulative redeemable no*n*-convertible bonds of face value of Rs. 10,00,000.00 each in the nature of debentures having tax benefits under section 10 (15) (iv) (h) of the Income Tax Act, for an amount of upto Rs. 320.00 crore by way of private placement through the book building process. The private placement issue has opened on October 9, 2015 and closed on October 9, 2015. An amount of Rs. 108.50 crore @ 7.00% p.a. (fixed) has been received under the issue. Post receipt of issue amount, the bonds were allotted on October 9, 2015.

4. In pursuance of SEBI Circular no. CIR/IMD/DF/18/2013 dated October 29, 2013, SEBI has vide its letter bearing no. IMD/DOF-1/BM/VA/OW/29398/2015 dated October 19, 2015 granted exemption to our Company from incorporating the audited financials in the Draft Shelf Prospectus/ Shelf Prospectus/ Tranche Prospectus(es), for the stub period. SEBI has granted permission to incorporate the unaudited quarterly financial results for the quarter ending June 30, 2015 and December 2015 in the Draft Shelf Prospectus/ Shelf Prospectus/ Tranche Prospectus(es), after approval of the same by the Board and limited review by the auditors, subject to the Company suitable disclosing such material facts in the offer document for the Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The CBDT has, by the CBDT Notification, authorised our Company to raise the Bonds aggregating to Rs. 5,000.00 crores. Our Company proposes to raise Rs. 3,711.50 crores* through a public issue of the Bonds in one or more tranches prior to March 31, 2016.

** In terms of the CBDT Notification, our Company has raised Rs. 151.00 crores, Rs. 1029.00 crore, Rs. 108.50 crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.***

Subject to the Memorandum of Association and Articles of Association of the Company, the Shareholders of the Company at the Extra-ordinary General Meeting held on September 5, 2014, have passed a resolution under Section 180 (1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board to borrow from time to time to the extent it deems requisite for the purpose of the business (apart from temporary loans obtained in the ordinary course of business) notwithstanding that such borrowings may exceed the aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose), provided that the total amount upto which the moneys may be borrowed by the Board and outrstanding at any one time shall not exceed a sum of Rs. 40,000.00 crore (Rupees Forty Thousand Crore). The aggregate value of the Bonds offered under this Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the borrowing limits of Rs. 40,000.00 crore (Rupees Forty Thousand Crore).

The Board of Directors have, pursuant to a resolution dated July 20, 2015, approved the Issue of 'tax free bonds' in one or more tranche(s), of secured, redeemable, non-convertible, cumulative/ non-cumulative debentures, having benefits under section 10(15) (iv)(h) of the Income Tax Act, for an amount of up to Rs. 5,000.00 crores, subject to the provisions of the CBDT Notification.

Eligibility to make the Issue

Our Company, the persons in control of our Company or the promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Consents

Consents in writing of the Directors, the Compliance Officer, the Statutory Auditors, Bankers to the Company, Escrow Collection Banks/ Bankers to the Issue, Lead Managers, Consortium Members, Registrar to the Issue, Legal Counsel to the Company as to Indian law, Credit Rating Agencies and the Debenture Trustee for the Bondholders, to act in their respective capacities, have been obtained and shall be filed along with a copy of each Tranche Prospectus with the RoC.

Our Company has appointed SBICAP Trustee Company Limited as Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment which is enclosed as Annexure C.

The consents of the Statutory Auditors of the Company, namely Dhawan & Co., Chartered Accountants for (a) inclusion of their name as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements and Limited Review Financial Statements in the form and context in which they appear in this Shelf Prospectus, have been obtained and the same will be filed along with a copy of the Prospectus with the RoC.

Expert Opinion

Except for the letters dated October 19, 2015 issued by CARE and IRRPL, respectively, in respect of the credit rating for the Bonds, and report dated October 26, 2015 related to Limited Review Financial Statements *interalia* issued by our Statutory Auditors, the report on Reformatted Audited Financial Statements dated October 26, 2015 and the statement of tax benefits dated October 26, 2015 issued by our Statutory Auditors, our Company has not obtained any expert opinions in respect of the Issue.

Common Form of Transfer

There shall be a common form of transfer for the Bonds held in physical form and relevant provisions of the Companies Act and all other applicable laws shall be duly complied with in respect of all transfer of the Bonds and registration thereof.

Minimum Subscription

In terms of the SEBI Circular no. CIR/IMD/DF/12/ 2014 dated June 17, 2014, minimum subscription limit is not applicable for issuers issuing tax free bonds, as specified by CBDT. Further, under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise. Our Company has decided to set no minimum subscription for the Issue.

No Reservation or Discount

In terms of the CBDT Notification, 40% of the total Issue size shall be earmarked towards Investors from Category IV. Apart from such reservation, there is no reservation in this Issue nor will any discount be offered in this Issue, to any category of investors.

Previous Public Issues or Rights Issue by our Company during last five years

1. On March 5, 2012, our Company issued and allotted 4,68,47,200 tax free bonds, in the nature of secured, redeemable non-convertible debentures ("**2012 Bonds**") at a price of Rs. 1,000.00 per 2012 Bond, amounting to an aggregate of Rs. 4,684.72 crore pursuant to a public offering under the SEBI Debt Regulations which opened on January 27, 2012 and closed on February 10, 2012 ("**2012 Bonds Issue**"). The electronic credit of the 2012 Bonds to investors pursuant to the 2012 Bonds Issue was completed on March 10, 2012 (March 8, 2012 was a holiday). Furthermore, letters of allotment for the 2012 Bonds were dispatched to all investors (who had applied for allotment of the 2012 Bonds in physical form) on March 12, 2012. The 2012 Bonds were listed on the Stock Exchanges on March 20, 2012.

2. On February 16, 2013, our Company issued and allotted 2,19,43,426 tax free bonds, in the nature of secured, redeemable non-convertible debentures ("**2013 Tranche – I Bonds**") at a price of Rs. 1,000.00 per 2013 Tranche – I Bond, amounting to an aggregate of Rs. 2193.40 crore pursuant to a public offering under the SEBI Debt Regulations which opened on January 9, 2013 and closed on February 7, 2013 ("**2013 Tranche – I Bonds Issue**"). The electronic credit of the 2013 Tranche – I Bonds to investors pursuant to the 2013 Tranche – I Bonds Issue was completed on February 18, 2013. Furthermore, letters of allotment for the 2013 Tranche – I Bonds were dispatched to all investors (who had applied for allotment of the 2013 Tranche – I Bonds in physical form) on February 19, 2013. The 2013 Tranche – I Bonds were listed on the NSE and BSE on February 21, 2013 and April 3, 2013, respectively (the listing of the 2013 Tranche – I Bonds at BSE was effected along with the 2013 Tranche – II Bonds (*as defined hereinafter*).

3. On March 28, 2013, our Company issued and allotted 20,70,100 tax free bonds, in the nature of secured, redeemable non-convertible debentures ("**2013 Tranche – II Bonds**") at a price of Rs. 1,000.00 per 2013 Tranche – II Bond, amounting to an aggregate of Rs. 207.01 crore pursuant to a public offering under the SEBI Debt Regulations which opened on February 21, 2013 and closed on March 18, 2013 ("**2013 Tranche – II Bonds Issue**"). The electronic credit of the 2013 Tranche – II Bonds to investors pursuant to the 2013 Tranche – II Bonds Issue was completed on March 28, 2013. Furthermore, letters of allotment for the 2013 Tranche – II Bonds were dispatched to all investors (who had applied for allotment of the 2013 Tranche – II Bonds in physical form) on March 30, 2013. The 2013 Tranche – II Bonds were listed on the Stock Exchanges on April 3, 2013.

4. On October 25, 2013, our Company issued and allotted 2,37,00,005 tax free bonds, in the nature of secured, redeemable non-convertible debentures ("**2014 Tranche – I Bonds**") at a price of Rs. 1,000.00 per 2014 Tranche – I Bond, amounting to an aggregate of Rs. 2,370.00 crore. The electronic credit of the Tranche – I Bonds to investors pursuant to the Tranche – I Issue was completed on October 25, 2013. Furthermore, letters of allotment for the 2014 Tranche – I Bonds were dispatched to all investors (who had applied for

allotment of the Tranche – I Bonds in physical form) on October 28, 2013. The 2014 Tranche – I Bonds were listed on the BSE on October 29, 2013.

5. On January 13, 2014, our Company issued and allotted 2,15,33,928 tax free bonds, in the nature of secured, redeemable non-convertible debentures ("**2014 Tranche – II Bonds**") at a price of Rs. 1,000.00 per 2014 Tranche – II Bond, amounting to an aggregate of Rs. 2,153.39 crore. The electronic credit of the 2014 Tranche – II Bonds to investors pursuant to the Tranche – II Issue was completed on January 13, 2014. Furthermore, letters of allotment for the 2014 Tranche – II Bonds were dispatched to all investors (who had applied for allotment of the 2014 Tranche – II Bonds in physical form) on January 15, 2014. The 2014 Tranche – II Bonds were listed on the BSE on January 17, 2014.

6. On March 24, 2014, our Company issued and allotted 27,29,237 tax free bonds, in the nature of secured, redeemable non-convertible debentures ("**2014 Tranche – III Bonds**") at a price of Rs. 1,000.00 per 2014 Tranche – III Bond, amounting to an aggregate of Rs. 272.92 crore. The electronic credit of the 2014 Tranche – III Bonds to investors pursuant to the Tranche – III Issue was completed on March 25, 2014. Furthermore, letters of allotment for the 2014 Tranche – III Bonds were dispatched to all investors (who had applied for allotment of the 2014 Tranche – III Bonds in physical form) on March 26, 2014. The 2014 Tranche – III Bonds were listed on the BSE on March 27, 2014.

Other than as specifically disclosed in ths Draft Shelf Prospectus, our Company has not issued any securities for consideration other than cash.

Commission or Brokerage on Previous Public Issues

1. An amount of Rs. 20.51 crores was incurred towards lead management fees, and selling commission in connection with the 2012 Bonds Issue.

2. An amount of Rs. 7.22 crores was incurred towards lead management fees, and selling commission in connection with the 2013 Tranche – I Bonds Issue.

3. An amount of Rs. 1.17 crores was incurred towards lead management fees, and selling commission in connection with the 2013 Tranche – II Bonds Issue.

4. An amount of Rs. 15.16 crores was incurred towards lead management fees and selling commission in connection with the 2014 Tranche – I Issue.

5. An amount of Rs. 12.03 crores was incurred towards lead management fees and selling commission in connection with the 2014 Tranche – II Issue.

6. An amount of Rs. 0.88 crores was incurred towards lead management fees and selling commission in connection with the 2014 Tranche – III Issue.

Utilisation details of Previous Issues

The proceeds of the previous public issuances have been fully utilised according to the objects mentioned in the respective prospectus.

Change in auditors of our Company during the last three years

Name	Address	Date of appointment/ resignation/ cessation	Auditor of the Company since
Agiwal & Associates	Lal Kothi, 2nd Floor, 3830, Pataudi House Road , Darya Ganj, New Delhi - 110 002	July 29, 2013	August 12, 2009
Dhawan & Co., Chartered Accountants	312, Wegmans House, 21 Veer Savarkar Block, Shakarpur, New Delhi – 110 092	July 29, 2013	July 29, 2013

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Utilisation of Proceeds

The Net Issue Proceeds as raised through each of the Tranche are proposed to be utilised to finance the projects and/activities mainly relating to housing for EWS/ LIG categories during the current year and/over the years, and for such other purposes as may be permitted by Ministry of Finance, Government of India or any other authority, from time to time. For more information pertaining to utilisation of proceeds, see the section titled "***Objects of the Issue***" on page 49 of this Draft Shelf Prospectus.

Statement by the Board of Directors

(i) All monies received out of the each Tranche Issue of the Bonds to the public shall be transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
(ii) The allotment letter shall be issued or application money shall be refunded within the time specified in chapter titled "***Issue Procedure***" at page 144 of this Draft Shelf Prospectus, failing which interest shall be due to be paid to the applicants at the rate of 15% for the delayed period;
(iii) Details of all monies utilised out of the each Tranche Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies were utilised; and
(iv) Details of all unutilised monies out of the each Tranche Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
(v) We shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus, receipt of the listing and trading approval from the BSE.
(vi) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

The funds raised by us from previous issues of bonds have been utilised for our business as stated in the respective offer documents.

Disclaimer clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED 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 THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED AND RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED, AND HAS CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLSOURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED AND RR INVESTORS CAPITAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

[●]

Disclaimer clause of BSE

[●]

Disclaimer Clause of NSE

[●]

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to Investors from Category I, Category II, Category III and Category IV. This Draft Shelf Prospectus, the Shelf Prospectus and the respective Tranche Prospectus will not, however constitute an offer to sell or an invitation to subscribe for the Bonds offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Shelf Prospectus, Shelf Prospectus and the respective Tranche Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Track Record of past issues handled by the Lead Managers

The track record of past issues handled by Axis Capital Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, SBI Capital Markets Limited and RR Investors Capital Services Private Limited are available at www.axiscapital.co.in, www.edelweissfin.com, www.icicisecurities.com, www.sbicaps.com and www.rrfinance.com/www.rrfcl.com respectively.

Listing

The Bonds will be listed on the BSE, the Designated Stock Exchange. The BSE has given its in-principle listing approval through its letter dated **[●]**, 2015.

If the permission to list and trade the Bonds has not been granted by the BSE, our Company shall forthwith repay, without interest, all such moneys received from the Applicant in pursuance of the Tranche Prospectus. If any such money is not repaid within eight days after our Company becomes liable to repay it (expect if such delays are on account of delay in postal channels of the country), our Company and every Director who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at 15% per annum, as prescribed under section 40 of the Companies Act, 2013. Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE will be taken within 12 Working Days from the Issue Closing Date.

Dividend

For details of dividends paid by our Company for the financial years ended March 31, 2015, 2014, 2013, 2012 and 2011, see the section titled "***Annexure A – Financial Statements***" of this Draft Shelf Prospectus.

Mechanism for redressal of investor grievances

Karvy Computershare Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

All grievances relating to the Issue should be addressed to the Registrar to the Issue and the Compliance Officer giving full details of the Applicant, number of Bonds applied for, amount paid on application series/option applied for and Member of the Syndicate/Trading Member/SCSB to which the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series/option applied for, number of Bonds applied for, amount blocked on Application.

All grievances arising out of Applications for the Bonds made through Trading Members may be addressed directly to the BSE.

Filing of the Shelf Prospectus and Tranche Prospectus(es) with the RoC

A copy of the Shelf Prospectus and relevant Tranche Prospectus(es) will be filed with RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013 and the Shelf Prospectus shall be valid for a period not exceeding one year from the first Tranche Issue Opening Date.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue during the last three years

Our Company is a public sector enterprise and as such, there are no identifiable group companies or companies under the same management.

Benefit/ interest accruing to Promoters/ Directors out of the object of the Issue

Neither the Promoter nor the Directors of our Company are interested in the Objects of the Issue.

Legal Proceedings

Proceedings involving the Company, promoter, director, group companies or any other person, whose outcome could have material adverse effect on the position of the Company

Except as described in Section "***Outstanding Litigation and Material Developments***" on Page 112 of this Draft Shelf Prospectus, We believe that there are no legal proceedings involving the Company, promoter, director, group companies, and in our opinion, no proceedings are threatened, which may have, or have had a material adverse effect on our business, financial position, profitability or results of operations.

Details of default and non-payment of statutory dues

Other than as disclosed in the section titled "***Outstanding Litigation and Material Developments***" on Page 112 of this Draft Shelf Prospectus, the Company has not received any demand notice from any statutory agency for default and non-payment of statutory dues.

Enquiries, Inspections or Investigations under company law

Other than as disclosed in the section titled "***Outstanding Litigation and Material Developments***" on Page 112 of this Draft Shelf Prospectus there are no enquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus in case of the Company. Further, there are no prosecution filed (whether pending or not), fines imposed or compounding offences done in the last five years immediately preceding the year of the Draft Shelf prospectus for the Company.

Auditor's Remarks

The statutory auditor of the Company, Dhawan & Co., Chartered Accountants and Company confirm that except as disclosed in the "***Risk Factors***" on page 12 of this Draft Shelf Prospectus, there have been no reservations or qualifications or adverse remarks in the Financial Statements of the Company in the last five financial years immediately preceding this Draft Shelf Prospectus.

Details of fraud committed against the Company

There have been no acts of material frauds committed against our Company in the last five years.

The details of related party transactions enetered into by our Company during the last five financial years immediately preceding the issue of prospectus containing (a) all transactions with related parties with respect to giving of loans or, guarantees, providing securities in connection with loans made, or investments made ; (b) all other transactions which are material to our Company or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets, to which our Company or any of its parent companies was a party, have been disclosed in the section titled "***Annexure A- Financial Statements***" of this Draft Shelf Prospectus.

Other Disclosures

Names of signatories to the Memorandum of Association of the Company and the number of shares subscribed by them: Given below are the name of the signatories of the Memorandum of Associations of the Company and the number of equity shares subscribed by them at the time of signing of the Memorandum of Association.

S.No.	Name of Signatory	Number of equity shares of face value of Rs. 10 each
1.	The President of India, through	
	Mr. P. K. Nayak	1
	Mr. T. N. Srivastava	1
	Mr. C. R. Bose	1
	Total	**3**

ISSUE STRUCTURE

The CBDT has, by the CBDT Notification, authorised our Company to raise the Bonds aggregating to Rs. 5,000.00 crores. Our Company proposes to raise Rs. 3,711.50 crores* through a public issue of the Bonds in one or more tranches prior to March 31, 2016.

**** In terms of the CBDT Notification, our Company has raised Rs. 151.00 crore, Rs. 1029.00 crore and Rs. 108.50 Crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.***

The following are the key terms of the Bonds. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in "***Terms of the Issue***" on page 128 of this Draft Shelf Prospectus.

The key common terms and conditions of the Bonds are as follows:

Particulars	Terms and Conditions
Minimum application size	As specified in the Tranche Prospectus for a particular Series of Bonds. The minimum number of Bonds per Application Form will be calculated on the basis of the total number of Bonds applied for under each such Application Form and not on the basis of any specific option.
Mode of allotment	Both in dematerialised form as well as in physical form as specified by the Applicant in the Application Form.
Terms of Payment	Full amount on application.
Trading Lot	1 (one) Bond.
Who can Apply#	**Category 1** • Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds; • Provident funds and pension funds with minimum corpus of Rs. 25 crores, which are authorised to invest in the Bonds; • Insurance companies registered with the IRDA; • National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India); • Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India; • Indian Mutual funds registered with SEBI; and • Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. **Category II** • Companies within the meaning of section 2(20) of the Companies Act, 2013*; • Statutory bodies/corporations*; • Cooperative banks; • Public/ private/ religious trusts; • Limited Liability Partnerships; • Regional rural banks • Socities registered under applicable laws in India and authorised to invest in the Bonds; • Association of Persons; • Partnership firms in the name of partners; and • Any other foreign/ domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws.

Particulars	Terms and Conditions
	[*] *The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that companies investing in tax-free bonds wherein the effective yield on the bonds is greater than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013* **Category III** The following Investors applying for an amount aggregating to above Rs. 10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; and • Hindu Undivided Families through the Karta; **Category IV** The following Investors applying for an amount aggregating to up to and including Rs. 10 lakhs across all Series of Bonds in each Tranche Issue: • Resident Indian individuals; and • Hindu Undivided Families through the Karta;

 # Applications from person resident outside India and foreign nationals (including FIIs, FPIs and NRIs applying on repatriation basis and on non-repatriation basis) may be considered by the Company at their sole discretion subject to applicable laws and receipt of necessary approvals.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that 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.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Bonds pursuant to the Issue.

For further details, see the section titled "***Issue Procedure***" on page 144 of this Draft Shelf Prospectus.

TERMS AND CONDITIONS IN CONNECTION WITH THE BONDS

Nature of the Bonds

The Bonds being issued are in form of tax free bonds of face value of Rs. 1,000.00 each in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15)(iv)(h) of the Income Tax Act, to be issued by Company in terms of this Draft Shelf Prospectus, the Shelf Prospectus and the respective Tranche Prospectus(es).

The terms of each Series of Bonds are set out below

Options	**Option 1**	**Option 2**	**Option 3**
Tenure of Bonds*	10 years	15 years	20 years
Maturity/Redemption Date	10 years from Deemed Date of Allotment	15 years from Deemed Date of Allotment	20 years from Deemed Date of Allotment
Coupon Rates for Category I, II and III#			
Series of Bonds**	**Series 1A**	**Series 2A**	**Series 3A**
Coupon Rate (%) *per annum*	To be determined as per the methodology mentioned in CBDT Notification dated July 6, 2015 and as specified in Prospectus		
Annualized Yield (%) *per annum*			
Coupon Rates for Category IV			
Series of Bonds**	**Series 1B**	**Series 2B**	**Series 3B**
Coupon Rate (%) *per annum*	To be determined as per the methodology mentioned in CBDT Notification dated July 6, 2015 and as specified in Prospectus		
Annualized Yield (%) *per annum*			

 # Pursuant to the CBDT Notification and for avoidance of doubt, it is clarified as under:
** The Company has sought permission/ approval from MCA for issuance of the Bonds having mautirty period of over 10 years. Thus, the issuance of the Bonds exceeding the maturity period of 10 years by the Company is subject to receipt of requisite permission/ approval of MCA.*
*** The number of Series of Bonds will be decided at the time of filing the Tranche Prospectus (es). Our Company shall allocate and Allot Bonds of Series [●] Bonds maturity to all valid applications, wherein the applicants have not indicated their choice of the relevant Bond series.*

a. *The coupon rates indicated under Series 1B, Series 2B and Series 3B shall be payable only on the Retail Individual Investor Portion in the Issue. Such coupon is payable only if on the Record Date for payment of interest, the Bonds are held by investors falling under the Retail Individual Investor Category/Category IV;*

b. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are transferred by Retail Individual Investors to Non-Retail Individual Investors, being Category I, Category II and Category III investors, the coupon rate on such Bonds shall stand at par with coupon rate applicable on Series 1A, Series 2A and Series 3A respectively;*

c. *If the Bonds allotted against Series 1B, Series 2B and Series 3B are sold/transferred by the Retail Individual Investors to investor(s) who fall under the Retail Individual Investor category as on the Record Date for payment of interest, then the coupon rates on such Bonds shall remain unchanged;*

d. *If on any Record Date, the original Retail Individual Investor Allotee(s)/transferee(s) hold the Bonds under Series 1A, Series 1B, Series 2A, Series 2B, Series 3A and Series 3B for an aggregate face value amount of over Rs. 10 lakh, then the coupon rate applicable to such Retail Individual Investor Allottee(s)/transferee(s) on Bonds under Series 1B, Series 2B, Series 3B shall stand at par with coupon rate applicable on Series 1A, Series 2A, and Series 3A, respectively;*

e. *Bonds Allotted under Series 1A, Series 2A and Series 3A shall carry coupon rates indicated above until the maturity of the respective Series of Bonds irrespective of category of holder(s) of such Bonds; and*

f. *For the purpose of classification and verification of status of the eligibility of a Bondholder under the Retail Individual Investor category, the aggregate face value of Bonds held by the Bondholders in all the Series of Bonds Allotted under the Issue shall aggregated on the basis of PAN.*

Terms of Payment

The entire face value per Bond is payable on Application. In the event of Allotment of a lesser number of Bonds than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of the respective Tranche Prospectus.

TERMS OF THE ISSUE

The Bonds being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, applicable regulations of the NHB, the Companies Act, 1956, Companies Act, 2013, the Income Tax Act, the CBDT Notification, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus(es), the Application Form, the terms and conditions of the debenture trustee agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the Bonds.

1. **Authority for the Issue**

The CBDT has, by virtue of power conferred upon it under section 10(15)(iv)(h) of the Income Tax Act, has issued the CBDT Notification authorising our Company to issue the said Bonds up to an aggregate amount of Rs. 5,000.00 crores during Fiscal 2016.

Our Company shall issue the Bonds up to an aggregate amount of Rs. 3,711.50 crores* through this Issue during Fiscal 2016.

***** ***In terms of the CBDT Notification, our Company has raised Rs. 151.00 crore. Rs. 1029.00 crore and Rs.108.50 crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.***

Subject to the Memorandum and Articles of Association of the Company, the Shareholders of the Company at the Extra-ordinary General Meeting held on September 5, 2014, have passed a resolution under Section 180 (1)(c) of the Companies Act, 2013 and rules made thereunder, as amended from time to time, authorising the Board to borrow from time to time to the extent it deems requisite for the purpose of the business (apart from temporary loans obtained in the ordinary course of business) notwithstanding that such borrowings may exceed the aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose), provided that the total amount upto which the moneys may be borrowed by the Board and outrstanding at any one time shall not exceed a sum of Rs. 40,000.00 crore (Rupees Forty Thousand Crore). The aggregate value of the Bonds offered under this Draft Shelf Prospectus, together with the existing borrowings of our Company, is within the borrowing limits of Rs. 40,000.00 crore (Rupees Forty Thousand Crore).

The Board of Directors have, pursuant to a resolution dated July 20, 2015, approved the Issue of 'tax free bonds' in one or more tranche(s), of secured, redeemable, non-convertible, cumulative/ non-cumulative debentures, having benefits under section 10(15) (iv) (h) of the Income Tax Act, for an amount of up to Rs. 5,000.00 crores, subject to the provisions of the CBDT Notification.

2. **Issue and status of Bonds**

2.1. Public issue of tax free bonds of face value of Rs. 1,000.00 each in the nature of secured, redeemable, non-convertible debentures, having benefits under section 10(15) (iv) (h) of the Income Tax Act, aggregating up to Rs. 3,711.50 crores* in one or more tranches in Fiscal 2016.

***** ***In terms of the CBDT Notification, our Company has raised Rs. 151.00 crore, Rs. 1029.00 crore and Rs. 108.50 crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except***

during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.

2.2. The Bonds shall be secured pursuant to a Debenture Trust Deed and underlying security documents. The Bondholders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all the provisions of the Debenture Trust Deed.

2.3. The bonds proposed to be issued are Secured by a first pari-passu charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue and interest thereon. However, 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. For the purpose of security cover in relation to interest, the amount of interest due for a period of one (1) year shall be considered.

2.4. The claims of the Bond holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements.

3. **Form, face value, title and listing etc.**

3.1.1. **Form of Allotment and Denomination**

The Allotment of the Bonds shall be in a dematerialized form as well as physical form. Our Company has made depository arrangements with CDSL and NSDL for the issuance of the Bonds in dematerialized form, pursuant to the tripartite agreement dated September 20, 2011 among our Company, the Registrar and CDSL and the tripartite agreement dated September 20, 2011 among our Company, the Registrar and NSDL (collectively **"Tripartite Agreements"**). As per SEBI circular dated July 27, 2012 the allotment can be done in physical form only to investor who have no demat account. Therefore, only the investors not having a demat account will be allotted Bonds in physical form however investors having a demat account will have the option to convert demat bonds allotted to them into physical form as per Depositories Act, 1996.

Our Company shall take necessary steps to credit the Depository Participant account of the Applicants with the number of Bonds allotted in dematerialized form. The Bondholders holding the Bonds in dematerialised form shall deal with the Bonds in accordance with the provisions of the Depositories Act, and/or rules as notified by the Depositories from time to time.

3.1.2. The Bondholders may rematerialize the Bonds issued in dematerialised form, at any time after Allotment, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

3.1.3. In case of Bonds held in physical form, whether on Allotment or on rematerialization of Bonds allotted in dematerialised form, our Company will issue one certificate for each Series of Bonds to the Bondholder for the aggregate amount of the Bonds that are held by such Bondholder (each such certificate, a "**Consolidated Bond Certificate**"). In respect of the Consolidated Bond Certificate(s), our Company will, on receipt of a request from the Bondholder within 30 Business Days of such request, split such Consolidated Bond Certificate(s) into smaller denominations in accordance with the applicable regulations/rules/act, subject to a minimum denomination of one Bond. No fees will be charged for splitting any Consolidated Bond Certificate(s) and any stamp duty, if payable, will be paid by the Bondholder. The request to split a Consolidated Bond Certificate shall be accompanied by the original Consolidated Bond Certificate(s) which will, on issuance of the split Consolidated Bond Certificate(s), be cancelled by our Company.

3.1.4. **Manner of allotment**

3.1.4.1 Allotment of the Bonds will be in physical and dematerialised form. In terms of Bonds issued in dematerialised form, our Company will take requisite steps to credit the demat accounts of all Bondholders who have applied for the Bonds in dematerialised form within 12 Working Days from the Issue Closure Date.

3.1.4.2 Our Company will also issue Letters of Allotment to all Bondholders who have applied for the Bonds in dematerialised form within 12 Working Days from the Issue Closure Date. Subsequent to the payment of the consolidated stamp duty on the Bonds, and upon the issuance of the order from the Collector evidencing the payment of such consolidated stamp duty, our Company and the Registrar shall dispatch Consolidated Bond Certificates to all Bondholders holding Letters of Allotment (in terms of the Register of Bondholders as maintained by the Registrar), no later than six months from the date of Allotment (in accordance with section 56 of the Companies Act, 2013). Upon receipt by Bondholders of such Consolidated Bond Certificates as dispatched by the Registrar and the Company, the Letters of Allotment shall stand cancelled without any further action. Prospective Bondholders should note that once Consolidated Bond Certificates have been duly dispatched to all Bondholders who had applied for Bonds in physical form, our Company shall stand discharged of any liabilities arising out of any fraudulent transfer of the Bonds purported to be effected through Letters of Allotment.

3.2. **Face Value**

The face value of each Bond is Rs. 1,000.00.

3.3. **Title**

3.3.1 In case of:

i) the Bond held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and

ii) the Bond held in physical form, the person for the time being appearing in the Register of Bondholders (as defined below) as Bondholder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such persons the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated Bond Certificate issued in respect of the Bonds and no person will be liable for so treating the Bondholder.

3.3.2 No transfer of title of a Bond will be valid unless and until entered on the Register of Bondholders or the register of beneficial owners, maintained by the Depositories and/or our Company or the Registrar to the Issue prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of Bondholders maintained by the Depositories and /or our Company and/or the Registrar to the Issue, as the case may be. In such cases, claims, if any, by the purchasers of the Bonds will need to be settled with the seller of the Bonds and not with our Company or the Registrar to the Issue.

3.4. **Listing**

The Bonds will be listed on the BSE.

3.5. **Market Lot**

The Bonds shall be allotted in physical as well as dematerialised form. In terms of the SEBI Debt Regulations, the trading of the Bonds shall be in dematerialised form only. Since, the trading of Bonds is in dematerialized form, the tradable lot for the Bonds is one Bond ("**Market Lot**").

3.6. **Procedure for rematerialisation of Bonds**

Bondholders who wish to hold the Bonds in physical form, after having opted for Allotment in dematerialised form may do so by submitting a request to their Depository Participant, in accordance with the applicable procedure stipulated by the Depository Participant. For more information, see "***Form of Allotment and Denomination***" on page 129 of this Draft Shelf Prospectus.

3.7. **Procedure for dematerialisation of Bonds**

Bondholders who have been allotted Bonds in physical form and wish to hold the Bonds in dematerialized form may do so by submitting his or her request to his or her Depository Participant in accordance with the applicable procedure stipulated by the Depository Participant.

4. Transfer of the Bonds, issue of Consolidated Bond Certificates, etc.

4.1. **Register of Bondholders**

Our Company shall maintain at its registered office or such other place, as permitted by section 88 of the Companies Act, 2013 a register of Bondholders containing such particulars of the legal owners of the Bonds. Further, the register of beneficial owners maintained by Depositories for any Bond in dematerialised form under Section 11 of the Depositories Act shall also be deemed to be a register of Bondholders for this purpose.

4.2. **Transfers**

4.2.1 ***Transfer of Bonds held in dematerialised form:***

In respect of Bonds held in the dematerialised form, transfers of the Bonds may be effected, only through the Depositories where such Bonds are held, in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time. The Bondholder shall give delivery instructions containing details of the prospective purchaser's Depository Participant's account to his Depository Participant. If a prospective purchaser does not have a Depository Participant account, the Bondholder may rematerialize his or her Bonds and transfer them in a manner as specified in 4.2.2 below.

4.2.2 ***Transfer of Bonds in physical form:***

The Bonds may be transferred in a manner as may be prescribed by our Company for the registration of transfer of Bonds. Purchasers of Bonds are advised to send the Consolidated Bond Certificate to our Company or to such persons as may be notified by our Company from time to time. If a purchaser of the Bonds in physical form intends to hold the Bonds in dematerialised form, the Bonds may be dematerialized by the purchaser through his or her Depository Participant in accordance with the provisions of the Depositories Act and/or rules as notified by the Depositories from time to time.

The payment of stamp duty on transfer of Bonds as well as the execution of instrument of transfer as required under Section 56 of the Companies Act, 2013 has been exempted by Government of India's Notification No. GSR 463(E) dated June 5, 2015. The Company will register the transfer of Bonds, provided the Bond Certificate with the details of name, address, occupation, if any, and signature of the transferee on the reverse of the Bond Certificate is delivered to the address of the Registrar mentioned herein, by registered post or by hand delivery. No stamp duty is payable under the said notification on such transfers. The Company shall on being satisfied and subject to the provisions of the Articles of Association register the transfer of such Bonds in its books.

4.3. **Formalities free of charge**

Registration of a transfer of Bonds and issuance of new Consolidated Bond Certificates will be effected without charge by or on behalf of our Company, but on payment (or the giving of such indemnity as our Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer, and our Company being satisfied that the requirements concerning transfers of Bonds, have been complied with.

4.4 **Debenture Redemption Reserve ("DRR")**

Section 71 of the Companies Act, 2013, read with Rule 18 made under Chapter IV of the Companies Act, 2013, requires that any company that intends to issue debentures must create a DRR for the purpose of redemption of debentures, in accordance with the following conditions: (a) the DRR shall be created out of the profits of the company available for payment of dividend, (b) the DRR shall be equivalent to atleast 25% of the amount raised through public issue of debentures in accordance with the SEBI Debt Regulations in case of HFCs registered with NHB and no DRR is required in case of privately placed debentures.

Accordingly our Company is required to create DRR of 25% of the value of Bonds issued through the Issue. In addition, as per Rule 18(7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the Bonds. Every company required to maintain or create DRR shall before the 30th day of April of each year, deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March, following any one or more of the following methods: (a) in deposits with any scheduled bank, free from charge or lien ; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882. The amount deposited or invested, as the case may be, shall not be utilised for any purpose other than for the repayment of debentures maturing during the year referred to above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15% of the amount of debentures maturing during the 31st day of March of that year.

5. Application Amount

The Bonds are being issued at par and full amount of face value per Bond is payable on application. Eligible Applicants can apply for any amount of the Bonds subject to a minimum application size, as specified in the Tranche Prospectus(es) across any of the Series(s) or a combination thereof. The Applicants will be allotted the Bonds in accordance with the Basis of Allotment.

6. Deemed Date of Allotment

Deemed Date of Allotment shall be the date on which the Board of Directors of our Company or any Committee thereof or the Chairman and Managing Director approves the Allotment of the Bonds for each Tranche Issue. All benefits under the Bonds including payment of interest will accrue to the Bondholders from the Deemed Date of Allotment. Actual Allotment may occur on a date other than the Deemed Date of Allotment.

7. Subscription

7.1. **Period of Subscription**

The Issue shall remain open for the period mentioned below:

Issue Opens on	As specified in the Tranche Prospectus
Issue Closes on	As specified in the Tranche Prospectus

The Issue shall remain open for subscription from 10:00 a.m. till 5:00 p.m. (Indian Standard

Time) for the period mentioned above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof, or the Chairman and Managing Director. In the event of such early closure or extension of the subscription list of the Issue, our Company shall ensure that public notice of such early closure is published on or before the day of such early date of closure through advertisement/s in at least one leading national daily newspaper.

7.2. **Underwriting**

The Issue is not underwritten

7.3. **Minimum Subscription**

In terms of the SEBI Circular no. CIR/IMD/DF/12/ 2014 dated June 17, 2014, minimum subscription limit is not applicable for issuers issuing tax free bonds, as specified by CBDT. Futher, under the SEBI Debt Regulations, our Company may stipulate a minimum subscription amount which it seeks to raise. Our Company has decided to set no minimum subscription for the Issue.

8. Interest

8.1. **Interest**

For all Categories, the Tranche [●] Series [●] Bonds, the Tranche [●] Series [●] Bonds and the Tranche [●] Series [●] Bonds shall carry interest at the coupon rate of [●]% p.a., [●]% p.a. and [●]% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding, their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date.

However, we may decide to pay an additional interest at the rate of [●]% p.a. to all Allottees under Category IV for the Tranche [●] Series [●] Bonds, the Tranche [●] Series [●] Bonds and the Tranche [●] Series [●] Bonds. Accordingly, the Tranche [●] Series [●] Bonds, the Tranche [●] Series [●] Bonds and the Tranche [●] Series [●] Bonds Allotted to Category IV Investors may carry an aggregate coupon rate of [●]% p.a. and [●]% p.a., respectively, payable annually from, and including, the Deemed Date of Allotment up to, but excluding their respective Maturity Dates, payable on the "Interest Payment Date", to the Bondholders as of the relevant Record Date. In such case, the effective yield to Category IV Allottees would be [●]% p.a., [●]% p.a. and [●]% p.a. for the Tranche [●] Series [●] Bonds, the Tranche [●] Series [●] Bonds and the Tranche [●] Series [●] Bonds, respectively.

Please note that in the event we decide to pay the aforesaid additional interest of [●] % p.a., such additional interest shall not be available in case the Bonds are transferred by Bondholders under Category IV to Bondholders under Categories I, II and III. The holding of Bonds shall be ascertained by the Registrar as on the Record Date and if any Bondholder falling under Category IV is found to be holding Bonds of face value aggregating more than Rs. 10 lakhs as on the Record Date, such Bondholder shall not be entitled to additional interest of [●]% p.a.

For avoidance of doubt, it is clarified that for the purpose of classifying the Investors into various categories, the Applications will be consolidated on the basis of PAN.

8.2. **Day count convention**

Interest on the Bonds shall be computed on an actual basis for the broken period, if any.

8.3. **Interest on Application Amounts**

8.3.1. **Interest on application monies received which are used towards allotment of Bonds**

We shall pay interest on Application Amounts on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, to any Applicants to whom Bonds are Allotted (except for ASBA Applicants) pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) as specified in the Tranche Prospectus.

A tax deduction certificate will be issued for the amount of income tax so deducted.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the applicants. Alternatively, interest warrants will be dispatched along with the Letter(s) of Allotment at the sole risk of the applicant, to the sole/first applicant.

8.3.2. **Interest on application monies received which are liable to be refunded**

We shall pay interest on Application Amounts which is liable to be refunded to the Applicants (other than Application Amounts received after the Issue Closure Date, and ASBA Applicants) subject to deduction of income tax under the provisions of the Income Tax Act, as applicable, as specified in the Tranche Prospectus. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched/credited (in case of electronic payment) along with the letter(s) of refund at the sole risk of the Applicant, to the sole/first Applicant.

A tax deduction certificate will be issued for the amount of income tax so deducted.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid Applications or Applications liable to be rejected, and/or (b) applications which are withdrawn by the applicant. See the section titled "***Issue Procedure – Rejection of Applications***" on page 163 of this Draft Shelf Prospectus.

8.3.3. **Interest in case of Delay**

The Company undertakes to pay interest in connection with any delay in Allotment, dematerialised credit and refunds, beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under applicable statutory and/or regulatory requirements.

9. Redemption

9.1. The face value of the Bonds will be redeemed at par, on the respective Maturity Dates of each of the Bond Series.

9.2. **Procedure for Redemption by Bondholders**

The procedure for redemption is set out below:

9.2.1. ***Bonds held in electronic form:***

No action is required on the part of Bondholders at the time of maturity of the Bonds.

9.2.2. ***Bonds held in physical form:***

No action will ordinarily be required on the part of the Bondholder at the time of redemption, and the Maturity Amount will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by our Company on the Record Date fixed for the purpose of redemption without there being a requirement for the surrender of the physical Consolidated Bond Certificate(s). Our Company shall stand discharged of any liabilities arising out of any fraudulent transfer of the Bonds or non-registration of transfer of Bonds with our Company.

10. Payments

10.1. **Payment of Interest on Bonds**

Payment of interest on the Bonds will be made to those Bondholders whose name appears first in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date.

10.2. **Record Date**

The record date for the payment of interest or the Maturity Amount shall be 15 Business Days prior to the date on which such amount is due and payable ("**Record Date**"). In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the record date and the date of redemption. In the event the Record Date falls on a Saturday, Sunday or a public holiday in New Delhi, the succeeding Business Day will be considered as the Record Date.

10.3. **Effect of holidays on payments**

If the date of interest payment or redemption falls on a Saturday, Sunday or a public holiday in Delhi or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, the succeeding Business Day will be considered as the effective date. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next coupon/ Interest Payment Date. If the Redemption Date/ Maturity Date (also being the last Coupon/ Interest Payment Date) of any Series of Bonds falls on a day which is not a Working Day, the redemption proceeds shall be paid on the immediately preceding Working Day along with the interest accrued on the Bonds until but excluding the date of such payment.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 will be a disclosed in the relevant Tranche Prospectus(es).

10.4. Whilst our Company will use the electronic mode for making payments, where facilities for electronic mode of payments are not available to the Bondholder or where the information provided by the Applicant is insufficient or incomplete, our Company proposes to use other modes of payment to make payments to the Bondholders, including through the dispatch of cheques through courier, or registered post to the address provided by the Bondholder and appearing in the Register of Bondholders maintained by the Depositories and/or our Company and/or the Registrar to the Issue, as the case may be as, on the Record Date. Our Company shall pay interest as specified in the Tranche Prospectus, over and above the coupon rate of the relevant Bonds, in the event that such payments are delayed beyond a period of eight days after our Company becomes liable to pay such amounts (expect if such delays are on account of delay in postal channels of the country).

10.5. Our Company's liability to the Bondholders including for payment or otherwise shall stand extinguished from the Maturity Date or on dispatch of the amounts paid by way of principal and/or interest to the Bondholders. Further, our Company will not be liable to pay any interest, income or compensation of any kind accruing subsequent to the Maturity Date.

11. Manner and Mode of Payment

11.1. **Manner of Payment:**

All payments to be made by our Company to the Bondholders shall be made in any of the following manners:

11.1.1. ***For Bonds applied or held in electronic form:***

The bank details will be obtained from the Depositories for payments. Investors who have applied or who are holding the Bond in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of the payments to investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors.

11.1.2. ***For Bonds held in physical form***

The bank details will be obtained from the Registrar to the Issue for effecting payments.

11.2. **Modes of Payment**

The mode of interest/ refund (except for refunds to ASBA Applicants)/ redemption payments shall be undertaken in the following order of preference:

11.2.1. ***Direct Credit***

Applicants having bank accounts with the Refund Bank, as per the demographic details received from the Depositories shall be eligible to receive refunds through direct credit.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.2. ***NECS***

Through NECS for Applicants having an account at any of the centres notified by the RBI. This mode of payment will be subject to availability of complete bank account details including the Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf, from the Depositories.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.3. ***Real Time Gross Settlement ("RTGS")***

Applicants having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose payment amount exceeds Rs. 2.00 lacs (or as may be specified by the RBI from time to time) shall be eligible to receive refund through RTGS, provided the demographic details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.4. ***National Electronic Fund Transfer ("NEFT")***

Payment of refund shall be undertaken through NEFT wherever the Applicants' bank branch is NEFT enabled and has been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. Wherever the Applicants have registered their MICR number and their bank account number while opening and operating the beneficiary account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrar to the Issue. In the event NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed in this section.

Our Company shall not be responsible for any delay to the Bondholder receiving credit of interest or refund or Maturity Amount so long as our Company has initiated the process in time.

11.2.5. ***Cheques or demand drafts***

By cheques or demand drafts made in the name of the Bondholders whose names appear in the Register of Bondholders as maintained by our Company and/or as provided by the Depositories. All cheques or demand drafts as the case may be, shall be sent by registered/speed post/courier at the Bondholder's sole risk.

11.3. **Printing of bank particulars**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be provided for printing on the orders/warrants. Applications without these details are liable to be rejected. However, in relation to Applications for dematerialised Bonds, these particulars will be taken directly from the Depositories. In case of Bonds held in physical form either on account of rematerialisation or transfer, the Bondholders are advised to submit their bank account details with the Registrar to the Issue before the Record Date, failing which the amounts will be dispatched to the postal address of the Bondholders. Bank account particulars will be printed on the orders/warrants which can then be deposited only in the account specified.

12. Special Tax Benefits

For the details of tax benefits, see the section titled "***Statement of Tax Benefits***" on page 51 of this Draft Shelf Prospectus.

13. Taxation

The Bonds are tax free in nature and the interest on the Bonds will not form part of the total income. For further details, see the section titled "***Statement of Tax Benefits***" on page 51 of this Draft Shelf Prospectus.

14. Security

The bonds proposed to be issued are secured by a first pari-passu charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue and interest thereon. However, HUDCO 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. For the purpose of security cover in relation to interest, the amount of interest due for a period of one (1) year shall be considered.

The Company undertakes to execute necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed within the time frame prescribed in the SEBI Debt Regulations and other relevant regulations/act/rules etc. and the same would be uploaded on the website of the Designated Stock Exchange, where the debt securities are proposed to be listed, within five working days of execution of the same. The Debenture holders are entitled to the benefit of the Debenture Trust Deed and are bound by and are deemed to have notice of all provisions of the Debenture Trust Deed.

The Company has obtained NOC from the existing debenture trustees/ lenders for creation and sharing of *pari passu* security interest as aforesaid.

15. Events of default

15.1. The Debenture Trustee at its discretion may, or if so requested in writing by the holders of not less than 75% in principal amount of the Bonds then outstanding or if so directed by a Special Resolution shall (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to our Company specifying that the Bonds and/or any particular Series of Bonds, in whole but not in part are and have become due and repayable at the early redemption amount on such date as may be specified in such notice, among other things, if any of the events listed in 15.2 below occur.

15.2. The complete list of events of default shall be as specified in the Debenture Trust Deed.

15.3. The early redemption amount payable on the occurrence of an event of default shall be as detailed in the Debenture Trust Deed.

15.4. If an event of default occurs which is continuing, the Debenture Trustee may with the consent of the Bondholders, obtained in accordance with the provisions of the Debenture Trust Deed, and with a prior written notice to our Company, take action in terms of the Debenture Trust Deed.

15.5. In case of default in the redemption of Bonds, in addition to the payment of interest and all other monies payable hereunder on the respective due dates, our Company shall also pay interest on the defaulted amounts.

16. Bondholders' rights, nomination, etc.

16.1. **Rights of Bondholders**

Some of the significant rights available to the Bondholders are as follows:

a) The Bonds shall not, except as provided in the Companies Act, 2013 confer on Bondholders any rights or privileges available to members of our Company including the right to receive notices or annual reports of, or to attend and / or vote, at the Company's general meeting(s). However, if any resolution affecting the rights of the Bondholders is to be placed before the shareholders, such resolution will first be placed before the concerned registered Bondholders for their consideration. In terms of Section 136 of the Companies Act, 2013, Bondholders shall be entitled to a copy of the balance sheet on a specific request made to the Company.

b) The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the Bondholders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution passed at a meeting of the concerned Bondholders. However, in the event that such consent or special resolution pertains to modify or vary the terms and conditions governing the Bonds, such consent or resolution shall not be operative against our Company in the event that such consent or resolution is not acceptable to the Company.

c) The registered Bondholder or in case of joint-holders, the person whose name stands first in the Register of Bondholders shall be entitled to vote in respect of such Bonds, either by being present in person or, where proxies are permitted, by proxy, at any meeting of the concerned Bondholders summoned for such purpose and every such Bondholder shall be entitled to one vote on a show of hands and on a poll, his or her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him or her on every resolution placed before such meeting of the Bondholders.

d) Bonds may be rolled over with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a Special Resolution passed at a meeting of the concerned Bondholders after providing at least 21 days prior notice for such roll-over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the Bonds of all the Bondholders, who have not given their positive consent to the roll-over.

e) For Secured Bonds in physical form, a register of debenture holders will be maintained in accordance with section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Secured Bonds will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For Secured Bonds in dematerialized form, all interest and principal sums becoming due and payable in respect of the Secured Bonds will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any Secured Bonds in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose.

f) The Secured Bonds are subject to the provisions of the SEBI Debt Regulations, the Companies Act, applicable provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of this Draft Shelf Prospectus, Shelf Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the Secured Bonds.

The above rights of Bondholders are merely indicative. The final rights of the Bondholders will be as per the terms of the Draft Shelf Prospectus, respective Tranche Prospectus(es) and Debenture Trust Deed to be executed by our Company with the Debenture Trustee.

Special Resolution for the purpose of this section is a resolution passed at a meeting of Bondholders of at least three-fourths of the outstanding amount of the Bonds, present and voting.

16.2. **Succession**

Where Bonds are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the Bondholder(s) in accordance with the applicable laws. It will be sufficient for our Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death, provided that a third person may call on our Company to register his name as successor of the deceased Bondholder after obtaining evidence such as probate of a will for the purpose of proving his title to the Bonds. In the event of demise of the sole or first holder of the Bonds, our Company will recognize the executors or administrator of the deceased Bondholders, or the holder of the succession certificate or other legal representative as having title to the Bonds only if such executor or administrator obtains and produces probate of will or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The Board of Directors of our Company in their absolute discretion may, in any case, dispense with production of probate of will or letter of administration or succession certificate or other legal representation.

16.3. **Nomination Facility to Bondholder**

16.3.1. In accordance with Section 72 of the Companies Act, 2013, the sole Bondholder or first Bondholder, along with other joint Bondholders (being individual(s)) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Bond. A person, being a nominee, becoming entitled to the Bond by reason of the death of the Bondholders, shall be entitled to the same rights to which he will be entitled if he were the registered holder of the Bond. Where the nominee is a minor, the Bondholders may make a nomination to appoint any person to become entitled to the Bond(s), in the event of his death, during the minority. A nomination shall stand rescinded on sale of a Bond by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the Bondholders. Fresh nominations can be made only in the prescribed form available on request at our Company's administrative office or at such other addresses as may be notified by our Company.

16.3.2. The Bondholders are advised to provide the specimen signature of the nominee to our Company to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

16.3.3. In accordance with Section 72 read with Rules under Chapter IV of the Companies Act, 2013, any person who becomes a nominee under any applicable laws shall on the production of such evidence as may be required by our Company's Board or Committee of Directors, or the Chairman and Managing Director, as the case may be, elect either:

(a) to register himself or herself as the holder of the Bonds; or

(b) to make such transfer of the Bonds, as the deceased holder could have made.

16.3.4. Notwithstanding anything stated above, Applicants who are allotted bonds in dematerialised form need not make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bondholder will prevail. If the Bondholders require changing their nomination, they are requested to inform their respective Depository Participant. For Applicants who opt to hold the Bonds in physical form, the Applicants are require to fill in the details for 'nominees' as provided in the Application Form.

16.3.5. Further, our Company's Board or Committee of Directors or the Chairman and Managing Director, as the case may be, may at any time give notice requiring any nominee of the deceased holder to choose either to be registered himself or herself or to transfer the Bonds, and if the notice is not complied with, within a period of 90 days, our Company's Board or Committee of Directors or the Chairman and Managing Director, as the case may be, may thereafter withhold payment of all interests or other monies payable in respect of the Bonds, until the requirements of the notice have been complied with.

17. Debenture Trustee

17.1. Our Company has appointed SBICAP Trustee Company Limited to act as the Trustee for the Bondholders. Our Company intends to enter into a Debenture Trust Deed with the Debenture Trustee, the terms of which will govern the appointment and functioning of the Debenture Trustee and shall specify the powers, authorities and obligations of the Debenture Trustee. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the Bondholders the principal amount on the Bonds on the relevant Maturity Date and also that it will pay the interest due on Bonds on the rate specified under the respective Tranche Prospectus(es) under which allotment has been made.

17.2. The Bondholders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by our Company to the Debenture Trustee on behalf of the Bondholders shall discharge our Company *pro tanto* to the Bondholders. All the rights and remedies of the Bondholders shall vest in and shall be exercised by the Debenture Trustee without reference to the Bondholders. No Bondholder shall be entitled to proceed directly against our Company unless the Debenture Trustee, having become so bound to proceed, failed to do so.

17.3. The Debenture Trustee will protect the interest of the Bondholders in the event of default by our Company in regard to timely payment of interest and repayment of principal and they will take necessary action at our Company's cost. Further, the Debenture Trustee shall ensure that the assets of our Company are sufficient to discharge the principal amount at all time under this Issue.

18. Miscellaneous

18.1. **Loan against Bonds**

The Bonds can be pledged or hypothecated for obtaining loans from lending institutions in accordance with the lending policies of the concerned institutions.

18.2. **Lien**

Our Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues by the Bondholder to our Company.

18.3. **Lien on pledge of Bonds**

Subject to applicable laws, our Company, at its discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank, institution or others for any loan provided to the Bondholder against pledge of such Bonds as part of the funding.

18.4. **Joint-holders**

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to applicable laws.

18.5. **Sharing of information**

Our Company may, at its option, use its own, as well as exchange, share or part with any financial or other information about the Bondholders available with our Company and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither our Company nor its affiliates nor their agents shall be liable for use of the aforesaid information.

18.6. **Notices**

All notices to the Bondholders required to be given by our Company or the Trustee shall be published in at least one national daily newspaper having wide circulation and/or, will be sent by post/courier to the registered Bondholders from time to time.

18.7. **Issue of duplicate Consolidated Bond Certificate(s)**

If any Consolidated Bond Certificate is mutilated or defaced it may be replaced by our Company against the surrender of such Consolidated Bond Certificates, provided that where the Consolidated Bond Certificates are mutilated or defaced, they will be replaced only if the certificate numbers and the distinctive numbers are legible.

If any Consolidated Bond Certificate is destroyed, stolen or lost then on production of proof thereof to the Issuer's satisfaction and on furnishing such indemnity/security and/or documents as it may deem adequate, duplicate Consolidated Bond Certificate(s) shall be issued.

The above requirement may be modified from time to time as per applicable law and practice.

18.8. 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.

18.9. Jurisdiction

The Bonds, the Trust Deed and other relevant documents shall be governed by and construed in accordance with the laws of India. For the purpose of this Issue and any matter related to or ancillary to the Issue the Courts of New Delhi, India shall have exclusive jurisdiction.

18.10 Ranking of the Bonds

The Bonds proposed to be issued are secured by a first pari-passu charge on present and future receivables of our Company to the extent of the amount mobilized under the Issue and interest thereon. However, 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. For the purpose of security cover in relation to interest, the amount of interest due for a period of one (1) year shall be considered. Accordingly, the Bonds would constitute direct and secured obligations of the Company and will rank pari passu inter se to the claims of other secured creditors of the Company having the same security and superior to the claims of any unsecured creditors of the Company, now existing or in the future, subject to any obligations preferred under applicable law.

18.11 Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

18.12 Buy Back of Bonds

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the Bonds, upon such terms and conditions as may be decided by our Company.

18.13 Restriction on transfer of Bonds

There are currently no restrictions on transfers and transmission of Bonds and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any RBI requirements and/or as provided in our Articles of Association. Please see the section titled as "**Main Provisions of Articles of Association of the Company**" of this Draft Shelf Prospectus.

18.14 **Credit Rating**

CARE has assigned a rating of 'CARE AAA' to the Bonds vide letter dated October 19, 2015. IRRPL has assigned a rating of 'IND AAA' to the Bonds vide letter dated October 19, 2015. For details in relation to the rationale for the credit rating, please refer to the **Annexure B** of this Draft Shelf Prospectus.

18.15 **Escrow Mechanism**

Please refer to "***Issue Procedure- Payment mechanism for non ASBA Applicants***" on page 152 of this Draft Shelf Prospectus.

18.16 **Right to re-issue Bonds**

Subject to the provisions of the Companies Act, 1956 and the Companies Act, 2013, as applicable on the date of this Draft Shelf Prospectus, where we have fully redeemed or repurchased any Bonds, we shall have and shall be deemed always to have had the right to keep such Bonds in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Bonds either by reselling or re-issuing the same Bonds or by issuing other Bonds in their place. The aforementioned right includes the right to reissue original Bonds.

18.17 **Debenture holder Not a Shareholder**

The Debenture holders will not be entitled to any of the rights and privileges available to equity and/or preference shareholders of the Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the Debt Listing Agreement.

18.18 **Put/Call Option**

As per relevant Tranche Prospectus(es)

ISSUE PROCEDURE

This section applies to all Applicants. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involves application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of the Syndicate or Trading Members only at the Syndicate ASBA Application Locations, or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Members of the Syndicate or Trading Members (at the application centres of the Members of the Syndicate will be mentioned in the Application Form) or make online Applications using the online payment gateway of the BSE.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Bonds that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

Please note that as per Para 4 of SEBI Circular No. CIR/CFD/DIL/12/2012 dated September 13, 2012, for making Applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB/s. Such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for ASBA Applications.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular"). The procedure mentioned in this section is subject to the BSE putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the BSE and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the BSE and/or SEBI, including SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013.

The following Issue procedure may consequently undergo change between the date of this Draft Shelf Prospectus and the Shelf Prospectus and/or the Tranche Prospectus. Applicants are accordingly advised to carefully read the Shelf Prospectus, Application Form, and the Tranche Prospectus in relation to any proposed investment. The information below is given for the benefit of the Investors. The Company, the Registrar to the Issue, and the Lead Managers shall not be liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

The Members of the Syndicate and the Company shall not be responsible or liable for any errors or omissions on the part of trading members in connection with the responsibility of Trading Members in relation to collection and upload of Applications in this issue on the electronic application platform provided by the BSE. Further BSE will be responsible for addressing investor grievances arising from applications through Trading Members.

Who can apply?^

The following categories of persons are eligible to apply in the Issue.

Category I

- Public Financial Institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, which are authorised to invest in the Bonds;
- Provident funds and pension funds with minimum corpus of Rs. 25 crores, which are authorised to invest in the Bonds;
- Insurance companies registered with the IRDA;

- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the army, navy or air force of the Union of India or set up and managed by the Department of Posts, India;
- Mutual funds registered with SEBI; and
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

Category II

- Companies within the meaning of section 2(20) of the Companies Act, 2013*;
- Statutory bodies/corporations*;
- Cooperative banks;
- Public/ private/ religious trusts;
- Limited Liability Partnerships;
- Regional rural banks;
- Societies registered under the applicable laws in India and authorised to invest in the Bonds;
- Association of Persons;
- Partnership firms in the name of partners; and
- Any other foreign/ domestic legal entities/ persons as may be permissible under the CBDT Notification and authorised to invest in the Bonds in terms of applicable laws.

* *The MCA has, through its circular (General Circular No. 06/2015) dated April 9, 2015, clarified that companies investing in tax-free bonds wherein the effective yield on the bonds is greater than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan, there is no violation of sub-section (7) of section 186 of the Companies Act, 2013.*

Category III

The following Investors applying for an amount aggregating to above Rs. 10 lakhs across all Series of Bonds in each Tranche Issue:

- Resident Indian individuals; and
- Hindu Undivided Families through the Karta

Category IV

The following Investors applying for an amount aggregating to up to and including Rs. 10 lakhs across all Series of Bonds in each Tranche Issue:

- Resident Indian individuals; and
- Hindu Undivided Families through the Karta;

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

^ *Applications from person resident outside India and foreign nationals (including FIIs, FPIs and NRIs applying on repatriation basis and on non-repatriation basis) may be considered by the Company at their sole discretion subject to applicable laws and receipt of necessary approvals.*

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of Bonds pursuant to the Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

How to apply?

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as non-ASBA Applicants who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Tranche Prospectus (for a particular Tranche Issue) together with Application Forms may be obtained from our Registered Office, the Lead Managers, the Consortium Members and the Designated Branches of the SCSBs. Additionally the Tranche Prospectus (for a particular Tranche Issue) and the Application Forms will be available for download on the website of the BSE at www.bseindia.com and the websites of the Lead Managers at www.axiscapital.co.in, www.edelweissfin.com, www.icicisecurities.com, www.sbicaps.com and www.rrfinance.com/www.rrfcl.com respectively.

Electronic Application Forms will also be available on the website of the BSE. A hyperlink to the website of the BSE for this facility will be provided on the website of the Lead Managers and the SCSBs.

Trading Members can download Application Forms from the website of the BSE. Further, Application Forms will also be provided to Trading Members at their request.

The prescribed colour of the Application Form for the Applicants is as follows:

Category	Colour of the Application Form
Resident Indians (ASBA and non-ASBA Applicants)	As will be specified in the Tranche Prospectus(es)

Methods of Application

An eligible investor desirous of applying in the Issue can make Applications by one of the following methods:

1. Applications through the ASBA process; and

2. Non-ASBA Applications.

Note – *Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized stock exchanges in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. In the event that the BSE puts in necessary systems, infrastructure and processes in place so as to enable the adoption of the Direct Online Application Mechanism prior to the Issue Opening Date, we shall offer eligible investors desirous of applying in the Issue the option to make Applications through the Direct Online Application Mechanism.*

If such systems, infrastructures or processes are put in place by the BSE prior to the filing of the Shelf Prospectus or the respective Tranche Prospectus(es), the methods and procedure for relating to the Direct Online Application Mechanism shall be suitably updated in the Shelf Prospectus or the respective Tranche Prospectus(es), as the case may be. However, if such systems, infrastructures or processes are put in place by the BSE after filing of the Shelf Prospectus and the respective Tranche Prospectus(es) but prior to the Issue Opening Date, the methods and procedure for relating to the Direct Online Application Mechanism shall be widely disseminated by us through a public notice in a reputed national daily newspaper.

Applications through the ASBA process

Please note that application through ASBA is optional for all categories of Applicants.

Applicants who wish to apply through the ASBA process by filling in physical Application Form will have to select the ASBA mechanism in Application Form and provide necessary details. Applicants can submit their Applications through the ASBA process by submitting the Application Forms to the Designated Branch of the SCSB with whom the ASBA Account is maintained or through the Members of the Syndicate or Trading

Members (ASBA Applications through the Members of the Syndicate and Trading Members shall hereinafter be referred to as the "**Syndicate ASBA**"), prior to or on the Issue Closing Date. **ASBA Applications through the Members of the Syndicate and Trading Members is permitted only at the Syndicate ASBA Application Locations** (**Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat**). Kindly note that Application Forms submitted by ASBA Applicants to Members of the Syndicate and the Trading Members at the Syndicate ASBA Application Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Member of the Syndicate or the Trading Members to deposit the Application Form (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

Members of the Syndicate and Trading Members shall, upon receipt of Application Forms from ASBA Applicants, upload the details of these Application Forms to the online platform of the BSE and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained in accordance with the Debt Application Circular. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

ASBA Applications in electronic mode will only be available with such SCSBs who provide such an electronic facility. In case of ASBA Applications in such electronic form, the ASBA Applicant shall submit the Application Form with instruction to block the Application Amount either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA Account held with SCSB, as would be made available by the concerned SCSB.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by SCSBs and Trading Members, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, aall grievances against Trading Members in relation to the Issue should be made by Applicants directly to the BSE.

Please note that you cannot apply for the Bonds through the ASBA process if you wish to be Allotted the Bonds in physical form.

Non-ASBA Applications

(i) ***Non- ASBA Applications for Allotment of the Bonds in dematerialised form***

Applicants may submit duly filled in Application Forms either in physical or downloaded Application Forms to the Members of the Syndicate or the Trading Members accompanied by account payee cheques/ demand drafts prior to or on the Issue Closing Date. The Members of the Syndicate and Trading Members shall, upload the non-ASBA Application on the online platform of the BSE, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant should preserve this and should provide the same for any grievances relating to their Applications.

Upon uploading the Application on the online platform of the BSE, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application details to the Registrar. The Members of the Syndicate/ Trading Members are requested to note that all payment instruments are required to be banked with only the banking branches of the Escrow Collection Banks, details of which will be available at the websites of the Lead Managers at www.axiscapital.co.in, www.edelweissfin.com, www.icicisecurities.com, www.sbicaps.com and www.rrfinance.com/www.rrfcl.com, respectively (A link for the said websites will be available at the website of the BSE at www.bseindia.com). Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. The Registrar shall match the Application details as received from the online platform of the BSE with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the BSE will prevail. Upon Allotment, the Registrar will credit the Bonds in the demat accounts of the successful Applicants as mentioned in the

Application Form.

Please note that neither our Company, nor the Members of the Syndicate, nor the Registrar shall be responsible for redressal of any grievances that Applicants may have in regard to the non-ASBA Applications made to the Trading Members, including, without limitation, relating to non-upload of the Applications data. All grievances against Trading Members in relation to the Issue should be made by Applicants to the BSE.

(ii) ***Non- ASBA Applications for Allotment of the Bonds in physical form***

Applicants can also apply for Allotment of the Bonds in physical form by submitting duly filled in Application Forms to the Members of the Syndicate or the Trading Members, along with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified in the sections titled "**Issue Procedure – Applications by various Applicant Categories**" and "**Issue Procedure - Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form**" at pages 149 and 159, respectively. The Members of the Syndicate and Trading Members shall, upon submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platform of the BSE, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and returning it to the Applicant. This acknowledgment slip shall serve as the duplicate of the Application Form for the records of the Applicant and the Applicant shall preserve this and should provide the same for any queries relating to non-Allotment of Bonds in the Issue.

Upon uploading of the Application details, the Members of the Syndicate and Trading Members will submit the Application Forms, along with the payment instruments to the Escrow Collection Banks, which will realise the payment instrument, and send the Application Form and the KYC documents to the Registrar. The Registrar shall check the KYC documents submitted and match Application details as received from the online platform of the BSE with the Application Amount details received from the Escrow Collection Banks for reconciliation of funds received from the Escrow Collection Banks. In case of discrepancies between the two data bases, the details received from the online platform of the BSE will prevail. The Members of the Syndicate/ Trading Members are requested to note that all Applicants are required to be banked with only the banking branches of Escrow Collection Banks, details of which will be available at the websites of the Lead Managers at www.axiscapital.co.in, www.edelweissfin.com, www.icicisecurities.com, www.sbicaps.com and www.rrfinance.com/www.rrfcl.com, respectively. A link for the said websites will be available at the website of the BSE at www.bseindia.com. Accordingly, Applicants are requested to note that they must submit Application Forms to Trading Members who are located in towns/ cities which have at least one banking branch of the Escrow Collection Banks. Upon Allotment, the Registrar will dispatch Bond Certificates to the successful Applicants to their addresses as provided in the Application Form. **Please note that, in the event that KYC documents of an Applicant are not in order, the Registrar will withhold the dispatch of Bond Certificates pending receipt of complete KYC documents from such Applicant. In such circumstances, successful Applicants should provide complete KYC documents to the Registrar at the earliest.**

Please note that in such an event, any delay by the Applicant to provide complete KYC documents to the Registrar will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the Bond Certificates are withheld by the Registrar. Further, our Company will not be liable for any delays in payment of interest on the Bonds allotted to such Applicants, and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the Bonds.

Members of the Syndicate or Trading Members are also required to ensure that the Applicants are competent to contract under the Indian Contract Act, 1872 including minors applying through guardians, at the time of acceptance of the Application Forms.

To supplement the foregoing, the mode and manner of Application and submission of Application Forms is illustrated in the following chart.

Mode of Application	To whom the Application Form has to be submitted
Direct Online Applications	Online submission through the online platform and online payment facility offered by the Stock Exchange(s).
ASBA Applications	(i) to the Members of the Syndicate only at the Syndicate ASBA Application Locations; or (ii) to the Designated Branches of the SCSBs where the ASBA Account is maintained; **or** (iii) to Trading Members only at the Syndicate ASBA Application Locations.
Non- ASBA Applications	(i) to the Members of the Syndicate; or (ii) to Trading Members.

Application Size

Applications are required to be for a minimum of such Bonds and multiples of such Bonds thereafter as specified in the relevant Tranche Prospectus.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

A mutual fund scheme cannot invest more than 15.00% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised 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 authorising 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 therefor.

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 authorising investments; and (ii) a letter of authorisation. 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.

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 authorising 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 therefor.

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 authorising the investment and containing operating instructions; and (ii) specimen signatures of authorised 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.

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 authorising 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.

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 authorising 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.

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.

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

Applications by provident funds and pension funds which are authorised 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 authorising 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.

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 authorising 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.

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 authorising investments; and (ii) letters of authorisation. 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.

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 therefor.

Further, any trusts applying for Bonds must ensure that (a) they are authorised 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 authorisations, 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.

Applications cannot be made by:

a) Minors without a guardian name (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
b) Persons resident outside India and foreign nationals (including FIIs, FPIs and NRIs applying on repatriation basis and on non-repatriation basis)
c) Overseas Corporate Bodies;
d) Indian Venture Capital Funds;
e) Foreign Venture Capital Investors;
f) Persons ineligible to contract under applicable statutory/ regulatory requirements; and
g) Any category of investor other than the Investors mentioned in categories I, II, III, and IV.

In case of Applications for Allotment of the Bonds in dematerialised form, the Registrar shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the BSE by the Members of the Syndicate, SCSBs or the Trading Members, as the case may be.

Nothing in this Draft Shelf Prospectus constitutes an offer of Bonds for sale in the United States or any other jurisdiction where it is unlawful to do so. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state of the United States or other jurisdiction and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

No offer to the public (as defined under Directive 20003/71/EC, together with any amendments and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue or otherwise in respect of the Bonds, in any member State of the European Economic Area which

has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue or otherwise in respect of the Bonds.

Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions of the bonds and the information contained in this Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus.

Payment instructions

Payment mechanism for ASBA Applicants

An ASBA Applicant shall specify details of the ASBA Account in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of intimation from the Registrar, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Escrow Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Payment mechanism for non ASBA Applicants

We shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Applicants (except for ASBA Applicants) shall draw cheques or demand drafts. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form. Cheques or demand drafts for the Application Amount received from Applicants would be deposited by the Members of the Syndicate and Trading Members, as the case may be, in the Escrow Accounts.

Each Applicant (except for ASBA Applicants) shall draw a cheque or demand draft for the Application Amount as per the following terms:

a) The payment instruments from all resident Applicants shall be payable into the Escrow Accounts drawn in favour of "[●]".

b) Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected.

c) The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants until the Designated Date.

d) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement, the Shelf Prospectus and the respective Tranche Prospectus(es) into the Public Issue Account. The Escrow Collection Bank shall also, upon receipt of instructions from the Lead Managers and the Registrar, transfer all amounts payable to Applicants, who have not been allotted Bonds to the Refund Accounts.

Please note that Applications accompanied by Application Amounts in cash/ stock invest/ money orders/ postal orders will not be accepted.

The Escrow Collection Banks will act in terms of the Shelf Prospectus, the respective Tranche Prospectus(es) and the Escrow Agreement. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein. It is mandatory for our Company to keep the proceeds of the Issue in an escrow account until the documents for creation of security as stated in this Draft Shelf Prospectus are executed.

Online Applications

The Company may decide to offer an online Application facility for the Bonds, as and when permitted by applicable laws, subject to the terms and conditions prescribed.

Additional information for Applicants

1. Application Forms submitted by Applicants (except for Applicants applying for the Bonds in physical form) whose beneficiary accounts are inactive shall be rejected.

2. For ASBA Applicants, no separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Members of the Syndicate or the SCSB or the Trading Member, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Members of the Syndicate/ Trading Member or the relevant Designated Branch, they are liable to be rejected.

In case of ASBA Applications submitted to the SCSBs, in terms of SEBI circular dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange(s) and all SCSBs, and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of the Syndicate and Trading Members of the Stock Exchange(s) at the Specified Cities, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications and Direct Online Applications, the Basis of Allotment will be based on the validation by the Registrar to the Issue of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Bank(s) with the electronic details in terms of SEBI circular dated April 22, 2010 and SEBI circular dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Company, in consultation with the Designated Stock Exchange, the Lead Managers, the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, the Company will have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of Bonds than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Applicants are advised not to submit Application Forms to Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB) and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations. Material updates, if any, between the date of filing of the respective Tranche Prospectus with the RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche Prospectus(es) and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such Bonds and in multiples of such Bonds thereafter as specified in the respective Tranche Prospectus(es).

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. Applications can be in single or joint names (not exceeding three names).

(f) If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the DP account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

(g) Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of NSE by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Bonds.

(h) ASBA Applicants utilising physical Application Forms must ensure that the Application Forms are completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the respective Tranche Prospectus(es) and in the Application Form.

(i) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(j) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(k) Applications for all the Series of the Bonds may be made in a single Application Form only.

(l) All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form, choosing either the ASBA or Non-ASBA mechanism.

We shall allocate and Allot Bonds of Tranche [●] Series [●] maturity to all valid Applications, wherein the

Applicants have not indicated their choice of the relevant Series applied for.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE BONDS IN DEMATERIALISED FORM SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM ARE EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds (for non-ASBA Applicants), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Syndicate nor the Trading Members, nor the Registrar, nor the Escrow Collection Banks, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants applying for Allotment of the Bonds in dematerialized form may note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the BSE by the Members of the Syndicate, the Trading Members or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, and the Members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar except in relation to the Issue.

By signing the Application Form, Applicants applying for the Bonds in dematerialised form would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Escrow Collection Banks, Registrar nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund orders/Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Members of the Syndicate, SCSBs and Trading Members will register the Applications using the on-line facilities of the BSE. The Lead Managers, our Company, and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs and Trading Members, (ii) the Applications uploaded by the SCSBs and the Trading Members, (iii) the Applications accepted but not uploaded by the SCSBs or the Trading Members, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) with respect to ASBA Applications accepted and uploaded by Members of the Syndicate at the Syndicate ASBA Application Locations for which the Application Amounts are not blocked by the SCSBs.

(b) The BSE will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Members of the Syndicate, Trading Members and their authorised agents and the SCSBs during the Issue Period. On the Issue Closing Date, the Members of the Syndicate, Trading Members and the Designated Branches shall upload Applications till such time as may be permitted by the BSE. This information will be available with the Members of the Syndicate and Trading Members on a regular basis. Applicants are cautioned that a high inflow of Applications on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for Allotment.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the BSE, a graphical representation of consolidated demand for the Bonds, as available on the website of the BSE, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, SCSBs, the Members of the Syndicate and Trading Members, as the case may be, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Series(s) of Bonds applied, Application Amounts, details of payment instruments (for non – ASBA Applications) and any other details that may be prescribed by the online uploading platform of the BSE.

(e) A system generated TRS will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the TRS from the SCSBs, Members of the Syndicate or the Trading Members, as the case may be. The registration of the Applications by the SCSBs, Members of the Syndicate or Trading Members does not guarantee that the Bonds shall be allocated/ Allotted by our Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the BSE to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the Bonds will be listed or will continue to be listed on the BSE.

(g) In case of apparent data entry error by either the Members of the Syndicate or the Trading Members, in entering the Application Form number in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the BSE.

(h) Only Applications that are uploaded on the online system of the BSE shall be considered for Allotment.

General Instructions

Do's

- **Check if you are eligible to apply;**

- **Read all the instructions carefully and complete the Application Form;**

- If the Allotment of the Bonds is sought in dematerialized form, ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

- Ensure that Applications are submitted to the Members of the Syndicate, Trading Members or the Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date;

- Ensure that the Application Forms (for non-ASBA Applicants) are submitted at the collection centres provided in the Application Forms, bearing the stamp of a Member of the Syndicate or a Trading Members of the BSE, as the case may be;

- Ensure that the Applicant's names (for Applications for the Bonds in dematerialised form) given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form for ASBA Applications;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. In case of Applications for Allotment in physical form, Applicants should submit a self-certified copy of their PAN card as part of the KYC documents. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

- Ensure that the Demographic Details (for Applications for the Bonds in dematerialised form) as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive a TRS for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the Bonds;

- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- **Applicants (other than ASBA Applicants) are requested to write their names and Application 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; and

- Tick the Series of Bonds in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;

- Do not pay the Application amount in cash, by money order, postal order, stock invest;

- Do not send the Application Forms by post; instead submit the same to the Members of the Syndicate and Trading Members or the SCSBs (as the case may be) only;

- Do not submit Application Forms to the Escrow Collection Banks (unless such Escrow Collection Bank is also an SCSB);

- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;

- Do not fill up the Application Form such that the Bonds applied for exceeds the Issue size and/or investment limit or maximum number of Bonds that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

- Do not submit an Application in case you are not eligible to acquire the Bonds under applicable law or your relevant constitutional documents or otherwise;

- Do not submit the Application Forms without the Application Amount; and

- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific for ASBA Applicants

Do's

- Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;

- For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or Trading Members;

- For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar or the Members of the Syndicate or Trading Members.

- Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form.

Don'ts

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts shall not be accepted under the ASBA process;

- Do not submit the Application Form with a Member of the Syndicate at a location other than the Syndicate ASBA Application Locations;

- Do not send your physical Application Form by post. Instead submit the same with a Designated Branch or a member of the Syndicate at the Syndicate ASBA Application Locations, or a Trading Member, as the case may be; and

- Do not submit more than five Application Forms per ASBA Account.

Applications shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time), or such extended time as may be permitted by the BSE during the Issue Period on all days between Monday and Friday, both inclusive barring public holidays, at the Collection Centres or with the Members of the Syndicate or Trading Members at the Syndicate ASBA Application Locations and the Designated Branches of SCSBs as mentioned on the Application Form. On the Issue Closing Date, Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. and shall be uploaded until 5.00 p.m. or such extended time as may be permitted by the BSE. It is clarified that the Applications not uploaded in the electronic application system of the BSE would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, nor the Lead Managers, Consortium Members or Trading Members are liable for any failure in uploading the Applications due to failure in any software/hardware system or otherwise.

Additional instructions specific for Applicants seeking Allotment of the Bonds in physical form

Any Applicant who wishes to subscribe to the Bonds in physical form shall undertake the following steps:

- **Please complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide the Depository Participant details in the Application Form.** The requirement for providing Depository Participant details shall be mandatory only for the Applicants who wish to subscribe to the Bonds in dematerialised form.

- Please provide the following documents along with the Application Form:

  (a) Self-attested copy of the PAN card;
  (b) Self-attested copy of your proof of residence. Any of the following documents shall be considered

as a verifiable proof of residence:

- ration card issued by the GoI; or
- valid driving license issued by any transport authority of the Republic of India; or
- electricity bill (not older than three months); or
- landline telephone bill (not older than three months); or
- valid passport issued by the GoI; or
- voter's identity card issued by the GoI; or
- passbook or latest bank statement issued by a bank operating in India; or
- registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill; or
- AADHAR letter.

- Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited.

  In absence of the cancelled cheque, our Company may reject the Application or it may consider the bank details as given on the Application Form at its sole discretion. In such case the Company, Lead Managers and Registrar shall not be liable for any delays/ errors in payment of refund and/ or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the Bonds in physical form, which are not accompanied with the aforestated documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the Bonds in physical form, please note the following:

1. An Applicant has the option to seek Allotment of Bonds in either dematerialised or physical mode. No partial Application for the Bonds shall be permitted and is liable to be rejected.

2. In case of Bonds that are being issued in physical form, our Company will issue one certificate to the holders of the Bonds for the aggregate amount of the Bonds for each of the Series of Bonds that are applied for (each such certificate a "**Consolidated Bond Certificate**").

3. **Any Applicant who provides the Depository Participant details in the Application Form shall be Allotted Bonds in dematerialised form only. Such Applicant shall not be Allotted Bonds in physical form.**

4. Our Company shall dispatch the Consolidated Bond Certificate to the address of the Applicant provided in the Application Form.

All terms and conditions disclosed in relation to the Bonds held in physical form pursuant to rematerialisation shall be applicable *mutatis mutandis* to the Bonds issued in physical form.

Consolidated list of documents required for various categories

For the sake of simplicity we hereby provide the details of documents required to be submitted by various categories of Applicants (who have applied for Allotment of the Bonds in dematerialised form) while submitting the Application Form:

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
Public financial institutions, commercial banks, cooperative banks and regional rural banks authorized to invest in the Bonds, companies within the meaning of section 2(20) of the Companies Act, 2013 and bodies corporate registered under the applicable laws in India and authorized to invest in the	The Application must be accompanied by certified true copies of: • Any Act/ Rules under which they are incorporated • Board Resolution authorizing investments

Type of Investors	Documents to be submitted with application form (in addition to the documents required for applications for Allotment of Bonds in physical form)
Bonds; Limited Liability Partnerships; multilateral and bilateral development financial institutions, Alternative Investment Funds and state industrial development corporations	• Specimen signature of authorized person
Insurance companies registered with the IRDA	The Application must be accompanied by certified copies of • Any Act/Rules under which they are incorporated • Registration documents (i.e. IRDA registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Provident Funds, Pension Funds and National Investment Fund	The Application must be accompanied by certified true copies of: • Any Act/Rules under which they are incorporated • Board Resolution authorizing investments • Specimen signature of authorized person
Mutual Funds	The Application must be also accompanied by certified true copies of: • SEBI registration Certificate and trust deed (SEBI Registration) • Resolution authorizing investment and containing operating instructions (Resolution) • Specimen signature of authorized person
Applicants through a power of attorney under Category I	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney or the relevant resolution or authority, as the case may be • A certified copy of the memorandum of association and articles of association and/or bye laws and/or charter documents, as applicable, must be lodged along with the Application Form. • Specimen signature of power of attorney holder/authorized signatory as per the relevant resolution.
Resident Indian individuals under Categories II and III	N.A.
HUF through the Karta under Categories II and III	The Application must be also accompanied by certified true copies of: • Self-attested copy of PAN card of HUF. • Bank details of HUF i.e. copy of passbook/bank statement/cancelled cheque indicating HUF status of the applicant. • Self-attested copy of proof of Address of karta, identity proof of karta.
Power of Attorney under Category II and Category III	The Application must be also accompanied by certified true copies of: • A certified copy of the power of attorney has to be lodge with the Application Form
Trusts	The Application must be also accompanied by certified true copies of: • The registered instrument for creation of such trust. • A power of attorney, if any, in favour of one or more trustees thereof. • Such other documents evidencing registration thereof under applicable statutory/regulatory requirements

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, see the section titled "***Issue Procedure – Methods of Application***" at page 146 of this Draft Shelf Prospectus.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the Bonds for the same or different Series of Bonds, subject to a minimum Application size of Rs. [●] and in multiples of Rs. [●] thereafter, for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, multiple Applications by the same Applicant belonging to Category IV aggregating to a value exceeding Rs. 10,00,000 shall be grouped in Category III, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be a multiple Application.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the Bonds in dematerialised form. In this context:

(i) Tripartite Agreements dated September 20, 2011, between us, the Registrar and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) It may be noted that Bonds in electronic form can be traded only on stock exchanges having electronic connectivity with NSDL or CDSL. The BSE has connectivity with NSDL and CDSL.

(iii) Interest or other benefits with respect to the Bonds held in dematerialised form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(iv) The trading of the Bonds shall be in dematerialized form only.

For further information relating to Applications for Allotment of the Bonds in dematerialised form, see the sections titled "***Issue Procedure – Methods of Application***" and "***Issue Procedure – General Instructions***" on pages 146 and 157, respectively of this Draft Shelf Prospectus.

Communications

All future communications in connection with Applications made in the Issue should be addressed to the Registrar quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Compliance Officer as well as the contact persons of our Company/ Lead Managers or the Registrar in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of Allotment Advice/ credit of Bonds in depository's beneficiary account/ refund orders, etc., applicants may contact our Compliance Officer as well as the contact persons of our Company/Lead Managers or Registrar. Please note that Applicants who have applied for the Bonds through Trading Members should contact the BSE in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / credit of Bonds in depository's beneficiary account/ refund orders, etc.

Rejection of Applications

The Board of Directors and/or any committee of our Company and/or the Chairman and Managing Director reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

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

- Number of Bonds applied for being less than the minimum Application size;
- Applications not being signed by the sole/ joint Applicants;
- Applications submitted without payment of the Application Amount;
- In case of partnership firms, the application forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;
- Applications submitted without payment of the full Application Amount. However, our Company may allot Bonds upto the full value of the Application Amount paid, in the event that such Application Amounts exceed the minimum Application Size as specified in the relevant Tranche Prospectus;
- In case of Applicants applying for Allotment in physical form, date of birth of the sole/ first Applicant not mentioned in the Application Form;
- Investor Category in the Application Form not being ticked;
- In case of Applications for Allotment in physical form, bank account details not provided in the Application Form;
- Signature of the Applicant missing;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Applications by stock invest or accompanied by cash/money order/postal order;
- Applications made without mentioning the PAN of the Applicant;
- GIR number mentioned in the Application Form instead of PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications submitted directly to the Escrow Collection Banks (if such Escrow Collection Bank is not an SCSB);
- ASBA Applications submitted to the Members of Syndicate or a Trading Members at locations other than the Syndicate ASBA Application Locations or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- For Applications for Allotment in dematerialised form, DP ID, Client ID and PAN mentioned in the Application Form do not match with the Depository Participant ID, Client ID and PAN available in the records with the depositories;
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form;
- Copy of KYC documents not provided in case of option to hold Bonds in physical form;
- Application Forms from ASBA Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- Applications for an amount below the minimum Application size;
- ASBA Applications not having details of the ASBA Account to be blocked;
- Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Non- ASBA Applications accompanied by more than one payment instrument;

- Applications not uploaded on the terminals of the BSE;
- Applications for Allotment of Bonds in dematerialised form providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- Applications by foreign nationals who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- PIO Applications without the PIO Card;
- SCSBs making an ASBA Application (a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilised for the purpose of applying in public issues;
- Where PAN details in the Application Form and as entered into the bidding platform of the BSE, are not as per the records of the Depositories;
- In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form;

For further instructions regarding Application for the Bonds, Applicants are requested to read the Application Form.

In terms of the RBI circular (No.DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques would be processed in three CTS centres thrice a week until April 30, 2014, twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payments. Investors are cautioned that Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Issue Closing Date.

Allotment Advice/ Refund Orders

In case of Applications other than those made through the ASBA process, the unutilised portion of the Application Amounts will be refunded to the Applicant within 12 (twelve) Working Days of the Issue Closure Date through any of the following modes:

i. **Direct Credit** – Applicants having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. **NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds through this mode will be done for Applicants having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. **RTGS** – If the refund amount exceeds Rs. 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the refund bank(s) for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

v. For all other Applicants (not being ASBA Applicants), refund orders will be despatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/ first Applicants and payable at par at places where Application are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

In the case of Applicants other than ASBA Applicants, applying for the Bonds in dematerialised form, the Registrar will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Applicants in their Application Forms. Accordingly, Applicants are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Applicant's sole risk and neither our Company, the Registrar, the Escrow Collection Banks, or the Members of the Syndicate, will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 (twelve) Working Days of the Issue Closing Date.

Our Company and the Registrar shall credit the allotted Bonds to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret/ Refund Orders by registered post/speed post/ordinary post at the Applicant's sole risk, within 12 Working Days from the Issue Closure Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT.

Further,

a) Allotment of Bonds in the Issue shall be made within a time period of 12 Working Days from the Issue Closure Date;

b) Credit to dematerialised accounts will be given within two Working Days from the Date of Allotment;

c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the applicants within 12 Working Days from the Issue Closure Date, for the delay beyond 12 Working Days; and

d) Our Company will provide adequate funds to the Registrar for this purpose.

Retention of oversubscription

Our Company is making a public issue of the Bonds aggregating upto Rs. [●] crore* with an option to retain oversubscription of Bonds up to Rs. [●] crore.

***** *In terms of the CBDT Notification, our Company has raised Rs. 151.00 crore, Rs. 1029.00 crore and Rs. 108.50 crore on a private placement basis through Private Placement Offer Letters dated July 29, 2015, September 30, 2015 and October 7, 2015. Further, the Company may also raise Bonds through private placement route in one or more tranches during the process of the present Issue, except during the Issue period. The aggregate amount raised through the private placement route shall not exceed Rs. 1,500.00 crores, i.e. upto 30% of the allocated limit for raising funds through the Bonds during the Fiscal 2016, at its discretion. Our Company shall ensure that Bonds issued through the public issue route and private placement route in Fiscal 2016 shall together not exceed the allocated limit. In case our Company raises funds through private placements during the process of the present Issue, except during the Issue period, the Shelf Limit for the Issue shall get reduced by such amount raised.***

Grouping of Applications and allocation ratio

For the purposes of the Basis of Allotment:

A. <u>*Applications received from Category I Applicants:*</u> Applications received from Applicants belonging to Category I shall be grouped together, **("QIB Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Corporate Portion")**;

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net Worth Individual Portion")**; and

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investor Portion")**.

For removal of doubt, the terms "**QIB Portion**", "**Corporate Portion**", "**High Net Worth Individual Portion**" and "**Retail Individual Investor Portion**" are individually referred to as a "**Portion"** and collectively referred to as **"Portions"**.

For the purposes of determining the number of Bonds available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Bonds to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Issue upto Rs. [●] crore. The aggregate value of Bonds decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Issue), and/or the aggregate value of Bonds upto the Base Issue Size shall be collectively termed as the **"Overall Issue Size".**

Allocation ratio

Reservations shall be made for each of the Portions in the below mentioned basis:

QIB Portion	Corporate Portion	High Net Worth Individual Portion	Retail Individual Investor Portion
[●]% of the Overall Issue Size.	[●]% of the Overall Issue Size	[●]% of the Overall Issue Size.	40% of the Overall Issue Size out.

Basis of Allotment

As specified in the respective Tranche Prospectus(es).

Our Company would allot Tranche [●] Series [●] Bonds to all valid Applications, wherein the Applicants have not indicated their choice of Series of Bonds.

Investor Withdrawals and Pre-closure

Withdrawal of Applications during the Issue Period

Withdrawal of Direct Online Applications

Direct Online Applications may be withdrawn in accordance with the procedure prescribed by the Stock Exchange(s).

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Member of the Syndicate, Trading Member or Designated Branch of an SCSB, as the case may be, through whom the ASBA Application had been made. In case of ASBA Applications submitted to the Members of the Syndicate or Trading Members at the Syndicate ASBA Application Locations, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Member of the Syndicate or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the BSE. In case of ASBA Applications submitted directly to a Designated Branch of an SCSB, upon receipt of the request for withdrawal from an ASBA Applicant, the relevant Designated Branch shall undertake requisite actions, including deleting details of the withdrawn ASBA Application Form from the electronic platform of the BSE and un-blocking of the funds in the ASBA Account directly.

Withdrawal of non – ASBA Applications

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Member of the Syndicate or Trading Member, as the case may be, through whom the Application had been made. Upon receipt of the request for withdrawal from the Applicant, the relevant Member of the Syndicate or Trading Member, as the case may be, shall undertake requisite actions, including deleting details of the withdrawn Application Form from the electronic platform of the BSE.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw an Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date (subject to full subscription of the Retail Individual Investor Portion prior to such early closure). Our Company shall allot Bonds with respect to the Applications received till the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Revision of Applications

Applicants may revise/modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to a Member of the Syndicate/Trading Member of the Stock Exchange(s)/Designated Branch of an SCSB, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. **Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the online Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.**

Trading of Bonds on the floor of the Stock Exchange(s) will be in dematerialised form only in multiples of one Bond

Allottees will have the option to re-materialise the Bonds Allotted in the Issue as per the Companies Act, 2013 and the Depositories Act.

Utilisation of Application Amounts

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of the Issue

Our Board of Directors certifies that:

(a) All monies received pursuant to the Issue of Bonds to public shall be transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013.

(b) The allotment letter shall be issued or application money shall be refunded within the time specified in chapter titled "***Issue Procedure***" at page 144 of this Draft Shelf Prospectus, failing which interest shall be due to be paid to the applicants at the rate of 15% for the delayed period;

(c) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.

(d) Details of all unutilised monies out of issue of Bonds, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(e) We shall utilize the Issue proceeds only upon creation of security as stated in this Draft Shelf Prospectus, receipt of the listing and trading approval from the BSE.

(f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property.

Impersonation

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
(c) otherwise induces directly or indirectly a 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."

Listing

The Bonds will be listed on the BSE. Our Company has applied for an in-principle approval to the BSE for permission to deal in and for an official quotation of our Bonds. The application for listing of the Bonds will be made to the BSE at an appropriate stage.

If permissions to deal in and for an official quotation of our Bonds are not granted by the BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Shelf Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE are taken within 12 Working Days from the Issue Closure Date.

For the avoidance of doubt, it is hereby clarified that in the event of non subscription to any one or more of the Series of Bonds, such Bonds with Series of Bonds shall not be listed.

Undertaking by the Issuer

We undertake that:

a) the complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Trading Members) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the Bonds listed within the specified time;

c) the funds required for dispatch of refund orders/ allotment advice/ certificates by registered post shall be made available to the Registrar by our Company;

d) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the Bonds are outstanding;

e) we shall forward the details of utilisation of the funds raised through the Bonds duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

f) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

g) we shall provide a compliance certificate to the Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of Bonds as contained in the Shelf Prospectus and the respective Tranche Prospectus(es); and

h) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

Interest in case of Delay

The Company undertakes to pay interest in connection with any delay in Allotment, dematerialised credit and refunds, beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under applicable statutory and/or regulatory requirements.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Debt Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares or debentures and/or their consolidation/splitting are as detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

	SHARE CAPITAL
	Articles Capital
5.	The Share Capital of the Company is Rs 2,500 crores (Rupees two thousand and five hundred crores) divided into 2,50,00,000 (two crore and fifty lacs) equity shares of Rs. 1,000/- each.
	Company's shares not to be purchased
6.	No part of the funds of the Company shall be employed in the purchase of or in loans upon the security of the Company's shares.
	Allotment of shares
7.	Subject to the provisions of the Act and these articles and to the rights of the President, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose off the same to such person and on such terms and conditions as they think fit.
	CERTIFICATES
	Share Certificate
9. (1)	Every person whose name is entered as a member in the register shall, without payment, be entitled to a certificate under the common seal of the Company specifying the share or shares held by him and the amount paid thereon, provided that no certificate of any share or shares in the Company shall be issued except in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or of its fractional coupons of requisite value save in cases of issues against letters of acceptance or renunciation or in cases of issue of bonus shares. If the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board thinks fit.
(2)	In respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders and shall be sufficient delivery to all.
	Issue of new share, debenture certificate etc. in place of defaced, lost or destroyed
10. (1)	No certificate of any share(s), debenture(s) or letter(s) of allotment shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those, which are defaced, torn or old decrepit, worn out; or where the cages on reverse for recording transfers have been fully utilised, unless the certificate or the allotment letter in lieu of which it is issued is surrendered to the Company. The Company shall not charge any fee for sub-division and consolidation of shares and debenture certificates, sub-division of letter(s) of allotment, splitting, consolidation, renewal and Pucca transfer Receipts into denominations corresponding to the market units of trading, issue of new certificates in lieu of old, decrepit or worn out or where the cages on the reverse 'for recording transfers have been fully utilised, registration of transfer of its shares and debentures, sub-division of renounceable letters of Right and registration of .any Power of Attorney, Probate, letter of Administration or similar other documents. Provided that the Company may charge fees which may be agreed upon by the Stock Exchange for sub-division and consolidation of share and debenture certificates, sub-division of letters of allotments and' splitting, consolidation renewal and Pucca Transfer receipts into denominations other than those fixed for the market units of trading.
(2)	No duplicate share/debenture certificate shall be issued in lieu of those that are lost and/or destroyed without the prior consent of the Board or without payment of such fees as may be agreed upon by the Stock Exchange and on such reasonable terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigation of evidence as the Board thinks fit.
	CALLS
	Calls on shares
11.	The board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments, and each member shall pay to the Company at the time or times so specified the amount called on his shares:
	Provided, however, that the board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time to any of the members whom for residence at a distance or other cause, the directors may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

		When interest on call payable.
12.		If a sum payable in respect of any call be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made shall pay interest on the same at such rate not exceeding 6 per cent per annum as the board shall fix from the day appointed for the payment thereof to the time of actual payment but the board may waive payment of such interest wholly or in part.
		Payment in anticipation of calls may carry interest.
13.		The board may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advances have been made, the Company may pay interest at such rate not exceeding 6 per cent per annum as the members paying such sum in advance and the board agree upon, and the board may, at any time, repay the amount so-advanced upon giving to such member three months notice in writing.
		Joint-holders' liability to pay.
14.		The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
		LIEN
		Company's lien on shares
15.		The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares (other than fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company but the board of directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.
		TRANSFER AND TRANSMISSION OF SHARES
		Register of transfers
22.		The Company shall keep a book to be called the Register of transfers and therein enter the particulars of several transfers or transmissions of any share.
		Transfer and transmission of shares
23.		The right of members to transfer their shares shall be restricted as follows:-
	a)	a share may be transferred by a member or other person entitled to transfer to a person approved by the President; and
	b)	subject as aforesaid, the directors, may in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares.
		Notice of refusal to register transfer
24.	(1)	If the directors refuse to register the transfer of any shares they shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, is delivered to the Company send to the transferee and the transferor or to the person giving intimation of such transfer, as the case may be, notice of the refusal.
	(2)	In case of debentures/bonds, the transfer, transmission/sub-division or consolidation shall be effected within one month from the date of lodgement thereof: Provided that the notice of refusal to register transfer transmission, sub-division or consolidation shall be sent within one month from the date on which the instrument of transfer or the intimation/request of transmission/ sub-division or consolidation, as the case may be, is lodged with the company
		Company not bound to recognize any interest in shares other than that of the registered holders.
25.		Save as herein otherwise provided, the directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable contingent or other claims to or interest in such share on the part of a person, whether or not it shall have express or implied notice thereof.
		Execution of transfer
26.		The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
		Form of transfer
27.		Shares in the Company shall be transferred in the prescribed form as-given in the Company (Central Government) General Rules and Forms 1956 or any amendment thereof.
		Transfer to be left at office and evidence of title to be given
28.		Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such evidence as the Company

	may require to prove the title of the transferor, or his right to transfer the shares. All instruments of transfer shall be retained by the Company but any instrument of transfer which the directors may decline to register shall be returned to the person depositing the same.
	Transmission by operation of law
29.	Nothing contained in article 23 shall prejudice any power of the Company to register as share-holder any person to whom the right to any shares in the Company has been transmitted by operation of law.
	When transfer books and register may be closed
30.	The transfer books and register of members or-the-register of debenture holders may be closed for any time or times not exceeding in the aggregate 45 days in each year but not exceeding 30 days at a time, by giving not less than seven days previous notice and in accordance with Section 154 of the Act.
	Director's right to refuse registration
31.	The directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in the ordinary transfer presented for registration.
	INCREASE, REDUCTION AND ALTERATION OF CAPITAL
	Transfer and transmission of debentures etc.
10 (3)	For the transfer/transmission of a security/bond/debenture of the Company the security/bond/debenture holder (hereinafter referred to as the Bond holder) and the heirs of the bond holders will be required to comply with the terms and conditions of the security/bond/debenture issue. If the bond holder or his legal heir fails to comply with the required formalities like submission of the probate of will/letter of administration/ succession certificate or any other document required then HUDCO Board will have right to refuse transfer/transmission of security/bond/ debenture and convey refusal as provided under these Articles. However, in the event of death, bankruptcy or insolvency of an existing bond holder if the compliance of the required formalities create hardship to any of the bond holder of HUDCO or his legal heir and HUDCO Board is convinced of this fact, HUDCO Board may in its absolute discretion (which discretion shall not be questioned) dispense with the requirement of the production of the probate of will, letter of administration or succession certificate or compliance of any other requirement by the bond holder or his heir and authorise the company to register the name of the bond holder or his heirs on the basis of the indemnity bond and/or any other document as the Board may deem fit.
	Power to increase capital
32.	Subject to the approval of the President the directors may, with the sanction of the Company in general meeting increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
	On what condition new shares may be issued
33.	Subject to such direction as may be issued by the President in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given, as the directors shall determine.
	How far new shares to rank with shares in original capital.
34.	Except so far as otherwise provided by the conditions of issue, or by these articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.
	New shares to be offered to members
35.	The new shares shall be offered to the members in proportion to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the Company.
	Reduction of capital etc.
36.	Subject to such direction as may be issued by - the President in this behalf and to the provisions of Sections 100 to 104 of the Act, the Company may, from time to time, by special resolution reduce its capital in any way and in particular and without prejudice to the generality of the foregoing power may:
(a)	extinguish or reduce the liability on any of the shares in respect of share capital not paid up
(b)	either with or without extinguishing or reducing liability on any of its shares,
(i)	cancel any paid up share capital which is lost or is unrepresented by available assets; or
(ii)	payoff any paid up share capital which is in excess of the wants of the Company upon the footing that it may be called up again or otherwise, and the directors may subject to the

	provisions of the Act, accept surrender of shares.
	Sub-division and consolidation of shares
37.	Subject to the approval of the President, the Company in general meeting may, from time to time:
(a)	increase its share capital by such amount as it thinks expedient by issuing new shares;
(b)	consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(c)	convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any other denomination;
(d)	sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum so, however, that, in the sub-division, the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
(e)	cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. And shall file with the Registrar such notice of exercise of any such powers as may be required by the Act.
	MODIFICATION OF CLASS RIGHTS
	Power to modify
38.	If at any time, the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and ·107 of the Act, and subject to the prior approval of the President be modified, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is:
(a)	ratified in writing by the holders of at least three fourth of the nominal value of the issued shares of that class; or
(b)	confirmed by a special resolution passed at a separate general meeting of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall *mutatis mutandis* apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This article is not by implication to curtail the power of modification which the Company would have if the article was omitted.
	BORROWING POWERS
	Power to borrow
39.	Subject to the provisions of the Act, the board may, from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company, by means of a resolution passed at the meeting of the Board. Provided that the borrowings will be regulated as may be decided by the Board of Directors keeping -in view the guidelines and subject to the directions issued by the Government of India from time to time.
40.	The Board may, keeping in view the guidelines and subject to the directions issued by the Government of India from time to time, raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual, or redeemable debentures or debenture stock, or any mortgage charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
	Securities may be assignable free from equities
41.	Debentures, debenture stock, bonds or other securities, may be made assignable free from any equities between the Company and the persons to whom the same may be issued.
	Issue of debentures etc. at discount or with special privilege
42.	Subject to the approval of the President and Sections 79 and 117 of the Act, any debentures, debenture stock, bonds or other securities may be issued at a discount,· premium or otherwise, and with any special privileges to redemption, surrender, drawings, appointment of directors and otherwise.
	Persons not to have priority over any prior charge
43.	Whenever any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the share-holders or otherwise to obtain priority over such prior charge.
	GENERAL MEETINGS
	General meeting

45.		The first annual general meeting of the Company shall be held within 18 months from the date of its incorporation and thereafter the next annual general meeting of the Company shall be held within 6 months after the expiry of the financial year in which the first annual general meeting was held and thereafter an annual general meeting shall be held by the Company within 6 months after the expiry of each financial year, in accordance with the provisions of Section 166 of the Act. Such general meetings shall be called "annual general meetings" and all other meetings of the Company shall be called "extra-ordinary general meetings".
		When extraordinary meeting to be called
46.		The board may, whenever it thinks fit, and it shall when so required by the President or on the requisition of the holders of not less than one-tenth of the paid-up 'capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extra-ordinary meeting of the Company and in the case of such requisition the following provisions shall have effect :-
	(1)	The requisition must state the objects of meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or more requisitionists.
	(2)	If the board does not proceed within 21 days from the date of deposit of valid requisitions to call a meeting on a day not later than 45 days from such date, the meeting may be called by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in clause (a) of sub-section (4) of Section 169 of the Act whichever is less.
	(3)	Any meeting convened under this article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the directors. If, after a requisition has been received, it is not possible for a sufficient number of directors to meet in time so as to form a quorum, any director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.
		Notice of Meeting.
47.		At least twenty one clear days' notice in writing specifying the place, day and hour of General Meetings, with a statement of business to be transacted at the meeting shall be served on every member in the manner provided by the Act, but with the consent in writing of all the members entitled to receive notice of the same, any General Meeting may be convened by such shorter notice and in such manner as those members may think fit.
		Business of annual meeting.
58.		The business of any annual general meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the directors and of the auditors, to declare dividends, and to transact any other business which under these articles ought to be transacted at any annual general meeting. All other business transacted at an annual general meeting, and all business transacted at an extra ordinary general meeting shall be deemed special.
		PROCEEDINGS AT GENERAL MEETINGS
		Quorum
59.		Five members present in person, of whom one shall be a representative of the President, shall be a quorum for a general meeting.
		Right of President to appoint any person as his representative.
60.	(1)	The President, so long as he is a shareholder of the Company, may, from time to time appoint such person as he thinks fit (who need not be a member or members of the Company) to represent him at all or any meetings of the company
	(2)	Any person appointed under sub-clause (1) of the article, who is personally present at the meeting, shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.
	(3)	The President may, from time to time, cancel any appointment made under sub-clause (1) of this article and make fresh appointments.
	(4)	The production at the meeting of an order of the 'President, evidenced as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
	(5)	Any person appointed by the President under. this article may, if so authorised by such order, appoint a proxy whether specially or generally.
		Chairman of general meeting
61.		The Chairman of the board of directors shall be entitled to take the chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose another director as Chairman, and if no director shall be present or, if all the directors present decline to take the chair, then the members

	present, shall choose one of the members to be Chairman.
	When if quorum not present, meeting to be dissolved and when to be adjourned
62.	If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon any requisition of the members as aforesaid shall be dissolved but in any other case it shall stand adjourned to the same day in the next week not being a public holiday (but if the same be a public holiday the meeting shall stand adjourned to the succeeding date of such public holiday) at the same time and place and if, at such adjourned meeting, a quorum is not present, those members who are present shall be a quorum and may transact the business for which the meeting was called.
	How questions to be decided at meeting
63.	Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes the chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote to which he may be entitled as a member.
	What is to be evidence of the passing of resolution where poll not demanded
64.	At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorised representative, .find unless a poll is so demanded a declaration by the chairman that the resolution has, on a show of hands been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
	Poll
65.	If a poll is duly demanded, it shall be taken in such manner and at such time and place as are in accordance with Sections 179 and 180 of the Act.
	Power to adjourn general meeting.
66.	The chairman of a general meeting may, with the consent of the member, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
	In what cases poll taken without adjournment
67.	Subject to provisions of Section 180 of the Act, any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting without adjournment.
68.	**Business may proceed not withstanding demand of poll**
	The demand of a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.
	Chairman's decision conclusive
69.	The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
	VOTES OF MEMBERS
	Votes of members
70.	Upon a show of hands every member present in person shall have one vote, and upon a poll, every member present in person or by proxy or by duly authorised representative shall have one vote for every share held by him.
	BOARD OF DIRECTORS
	Number of directors
82.	Until otherwise determined in a general meeting the number of directors of the Company shall be not less than three and not more than ten. The directors are not required to hold any qualification shares.
	Appointment of chairman, managing director and other directors
83. (1)	The President shall appoint the chairman and shall appoint other directors in consultation with the chairman provided that no such consultation is necessary in respect of government representatives on the board of directors of the Company. The directors (including the chairman/managing director) shall be paid such salary and/or allowances as the President may, from time to time, determine.
(2)	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.
(3)	Subject to the relevant provisions of the Act, -the President shall have the right to remove or dismiss the chairman, the managing director/wholetime director and the directors for any reasons whatsoever and shall have the right to fill in any vacancy in the office of the chairman, managing director/ whole-time director or the directors caused by removal, dismissal. resignation, death, or otherwise.

	(4)	Subject to the provisions of Section 292 of the Companies Act, the directors may, from time to time, entrust and confer upon the chairman or the managing director, for the time-being such of the powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and on such terms and conditions and with such restrictions as they may think expedient and may from time to time, revoke, withdraw, alter or vary all or any of such powers. The President may, from time to time, appoint General Manager(s) Constituent units, in consultation with the Board of Directors, on such terms and remuneration as he may think fit and remove or dismiss them for any reasons whatsoever and shall have the right to fill in any vacancy in the office of the General Manager(s) caused by removal, dismissal, resignation, death or otherwise.
		Disqualifications of directors
88.		A person shall not be capable of being appointed as a director of the Company if he suffers from any of the disqualifications enumerated in Section 274 of the Act. The office of a director shall be vacated if any of the conditions set out in Section 283 of the Act comes to happen. This is without prejudice to the right of the President to remove any director without assigning any reasons whatsoever.
		Powers of chairman
93.		The Chairman shall reserve for the orders of President any proposals or decisions of the directors in any matter which, in the opinion of the Chairman, is of such importance as to be reserved for the approval of the President. No action shall be taken by the Company in respect of any proposal or decision of the directors reserved for the approval of the President as aforesaid until his approval to the same has been obtained. Without prejudice to the generality of the above provision the directors shall reserve for the order of the President any proposal or decision for:
	(i)	the sale, lease or disposal otherwise of the whole, or substantially the whole of the undertaking of the Company.
	(ii)	the formation of a subsidiary Company.
	(iii)	the winding up of the Company; and
	(iv)	the division of capital into different classes of shares.
		Rights of the President
127.		Notwithstanding anything contained in any of these Articles the President may, from time to time, issue such directives or instructions as may be considered necessary in regard to the finances, conduct of business and affairs of the Company. The Company shall give immediate effect to the directives or instruction so issued. In particular the President will have the powers:
	(i)	to give directions to the Company as to the exercise and performance of its functions in matter involving national security of substantial public interest;
	(ii)	to authorise the amount of capital to be raised and the terms and conditions on which it may be raised;
	(iii)	to approve the corporation's revenue budget in case there is an element of-deficit which is proposed to be met by obtaining funds from the Government;
	(iv)	to approve purchases and contracts of a major nature involving substantial capital out-lay which are in excess of the powers vested in the corporation;
	(v)	to call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time;
	(vi)	to approve the enterprise's five-year and annual plans of development and the Company's capital budget;
	(vii)	to approve agreements involving foreign collaboration proposed to be entered into by the Company. Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company
		General power of Company vested in directors
84.	(1)	Subject to the provisions of the Act, the board of directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the memorandum and articles of the Company or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the board

	shall be subject to the provisions contained in that behalf in the Act or any other Act or in the memorandum and articles of the Company, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting.
(2)	No regulation made by the Company in general meeting shall invalidate any prior act of the board which would have been valid if that regulation had not been made.
	DIVIDENDS
	Dividends
100	The profits of the Company available for payment of dividends, subject to any special rights relating thereto created or authorized to be created by these presents and subject to Section 93 of the Act and subject to the provisions of these presents as to reserve fund shall, with the approval of the President, be divisible among members in the proportion to the amount of the capital held by them respectively.
	Paid up in Advance
101	Where capital is paid up on any shares in advance of calls, such capital shall not, confer a right to participate in profits.
	Declaration of dividends
102	The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the capital, and may fix the time for payment but no dividend shall exceed the amount recommended by the directors.
	Dividends out of profits only and not to carry interest
103	No dividend shall be payable, otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the Company.
	Interim dividend
105.	The directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.
	Unclaimed dividend
113.	All dividends unclaimed for one year, after having been declared, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. No unclaimed dividend shall be forfeited.
	WINDING UP
	Distribution of assets on winding up
128.	If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up, at the commencement of the winding up of the shares held by them respectively. And if, in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered and Corporate Office of our Company situated at HUDCO Bhawan, Core- 7A, India Habitat Centre, Lodhi Road, New Delhi 110003, India, from 10.00 a.m. and 12.00 noon on any Working Day during which Issue is open for public subscription under the respective Tranche Prospectus(es).

MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 2, 2015 between our Company and the Lead Managers.
2. Memorandum of Understanding dated September 2, 2015 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated July 28, 2015 between our Company and the Debenture Trustee.
4. Escrow Agreement dated September 23, 2015 between our Company, the Registrar, the Escrow Collection Banks and the Lead Managers.
5. Tripartite Agreements dated September 20, 2011, between CDSL/NSDL, our Company and the Registrar to the Issue.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Copy of shareholders resolution dated September 5, 2014 under section 180 (1) (c) of the Companies Act on borrowing limit.
3. Copy of the Board resolution dated July 20, 2015 approving the Issue.
4. Letter dated October 19, 2015 by CARE assigning a rating of 'CARE AAA' to the Bonds.
5. Letter dated October 19, 2015 by IRRPL assigning a rating of 'IND AAA' to the Bonds.
6. Consents of each of the Directors, the Compliance Officer, Lead Managers, legal counsel to the Company as to Indian law, Registrar to the Issue, Bankers to our Company, the Debenture Trustee for the Bonds and the Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities.
7. Consent of the Auditors, for inclusion of their name and the report on the Accounts in the form and context in which they appear in this Draft Shelf Prospectus and their statement on tax benefits mentioned herein.
8. Auditor's Report dated October 26, 2015 on the reformatted financial information prepared under Indian GAAP for the financial year March 31, 2015, 2014, 2013, 2012 and 2011.
9. Statement of tax benefits dated October 26, 2015 issued by our Statutory Auditors.
10. Limited review report dated October 26, 2015.
11. Notification no. 59/2015 dated July 6, 2015 issued by the CBDT.
12. Annual Report of our Company for the last five Fiscals.
13. In-principle listing approval from the BSE vide its letter no. [●] dated [●], 2015.
14. Due Diligence Certificate dated [●], 2015 filed by the Lead Managers with SEBI.
15. Letter bearing no. IMD/DOF-1/BM/VA/OW/29398/2015 dated October 19, 2015 by SEBI for permission to disclose unaudited quarterly financial results with limited review report in the offer document.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Bondholders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the undersigned Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act, 1956/ the Companies Act, 2013 as applicable on the date of this Draft Shelf Prospectus and rules made thereunder and the guidelines issued by the Government of India and/ or the regulations/ guidelines/ circulars issued by Securities and Exchange Board of India Act, 1992 as applicable, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, in connection with the Issue have been complied with, and nothing in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 1956/ the Companies Act, 2013, as applicable on the date of this Draft Shelf Prospectus, the Securities Contracts (Regulation) Act, 1956, or the Securities and Exchange Board of India Act, 1992 and the rules, regulations, circulars or guidelines made/ issued thereunder.

We further certify that the disclosures and statements made in this Draft Shelf Prospectus are true and correct and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements, and such disclosures and statements are in conformity with the relevant provisions of the Companies Act, 2013 to the extent applicable as on the date of this Draft Shelf Prospectus and rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended .

Signed by the Board of Directors

1.	Dr. Ravi Kanth Medithi *Chairman and Managing Director*
2.	Mr. Nand Lal Manjoka *Director*
3.	Mr. Rakesh Kumar Arora *Director*
4.	Ms. Jhanja Tripathy *Director*
5.	Mr. Rajiv Ranjan Mishra *Director*

Place: New Delhi
Date: October 26, 2015

ANNEXURE A

FINANCIAL INFORMATION OF HUDCO

1.	Limited Review Report of HUDCO for the period ended 30th June, 2015
2.	Examinatior Report on Financial Information of HUDCO for the year ended 31st March 2015, 2014, 2013, 2012 and 2011

REVIEW REPORT

The Board of Directors,
Housing & Urban Development Corporation Ltd.
Core 7A, HUDCO BHAWAN,
India Habitat Centre
Lodhi Road,
New Delhi – 110 003

We have reviewed the accompanying statement of un-audited financial results of **Housing & Urban Development Corporation Limited** for the quarter ended 30th June 2015. This statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagement to Review Financial Statements performed by the independent auditor of the entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results for the quarter ended on 30.06.2015, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed information required to be disclosed in terms of Clause 29 of the Listing Agreement for the debt securities including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has been prepared in accordance with relevant prudential norms issued by the National Housing Bank in respect of income recognition, asset classification, provisioning and other related matters *except that the company has made a provision for NPA of Rs. 1791.04 crore as on 30.06.2015 as against the provision of Rs. 1681.04 crore required as per NHB norms.*

For & on behalf of Dhawan & Co.
Chartered Accountants
Firm Regn. No. 002864N

Sunil Gogia
(*Partner)*
M. No. - 073740

Place of Signatures	**:**	**New Delhi**
Date	**:**	**26.10.2015**

HOUSING AND URBAN DEVELOPMENT CORPORATION LTD.
(A GOVT. OF INDIA UNDERTAKING)
REGISTERED OFFICE : HUDCO BHAWAN, INDIA HABITAT CENTRE, LODHI ROAD, NEW DELHI -110003
UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE THREE MONTHS ENDED 30.06.2015

(₹ in crore)

	Particulars	3 months ended 30.06.2015 (Reviewed)	Corresponding 3 months ended in the previous year (30.06.2014) (Reviewed)	Previous year ended 31.03.2015 (audited)
1	a) Net Sales/Income from Operation	761.22	743.59	3336.75
	b) Other Operating Income	18.04	14.74	71.17
2	Total Expenditure			
	a) Interest and other financial charges	484.09	452.17	1775.38
	b) Exchange Gain (-) / Loss	0.50	0.97	(13.13)
	c) Staff Cost	33.12	34.86	161.37
	d) Depreciation	1.20	1.00	5.28
	e) Other Expenditure	9.57	11.37	38.19
	f) CSR Expenditure	0.48	6.64	3.23
	g) Provision on Loans (Net) (Refer Note 2)	85.97	88.40	271.28
	h) Provision on Debtors/recoverable, Loans and Advances	-	-	2.52
3	Profit from Operations before Other Income	164.33	162.92	1163.80
4	Other Income	0.31	0.79	6.72
5	Profit before Exceptional Items	164.64	163.71	1170.52
6	Exceptional items	-	-	-
7	Profit (+)/ Loss (-) from Ordinary Activities before tax	164.64	163.71	1170.52
8	Prior Period Adjustments (Net)	-	(0.06)	10.42
9	Provision for Tax			
	- Current Tax (Including Prior Period Tax Adjustments)	67.74	65.95	391.24
	- Deferred Tax	(14.62)	(13.77)	12.07
10	Net Profit (+)/ Loss (-) from Ordinary Activities after tax	111.52	111.47	777.63
11	Extraordinary Items (net of tax expense)	-	-	-
12	Net Profit(+)/ Loss(-) for the period	111.52	111.47	777.63
13	Paid-up Equity Share Capital (Face Value - ₹ 1000 per share)	2001.90	2001.90	2001.90
14	Reserves excluding Revaluation Reserves (As at 31.03.2015)			5779.27
15	Analytical Ratios			
	(i) Capital Adequacy Ratio (%)	-	-	50.46
	(ii) Earnings Per Share (EPS) (₹)	55.77	55.68	388.45
16	NPA Ratios			
	(i) Gross NPA (Amount)	3537.92	3153.97	2069.59
	(ii) Net NPA (Amount)	1876.23	1754.62	501.89
	(iii) Gross NPA (%)	10.95	10.40	6.25
	(iv) Net NPA (%)	6.12	6.07	1.59
	(v) Return on assets (%)	0.38	0.42	2.63

Note:

1 The Corporation does not have more than one segment eligible for reporting in terms of Accounting Standard - 17.

2 As against the required provision on loans of ₹1681.04 crore as on 30.06.2015 as per NHB Norms, the company has made a provision of ₹ 1791.04 crore. As such the above additional provision stood at ₹ 110 crore as on 30.06.2015. The company has used a sum of ₹ 280 crore to meet the increased requirement out of additional provision of ₹ 390 crore held as on 31.03.2015.

3 The main audit observations on the accounts for the financial year 2014-2015 are under review and necessary action is being taken.

4 A provision of ₹ 5.50 crore has been made in the accounts towards Employee Benefits as per AS-15 (Revised) on adhoc basis for the period under review.

5 There were 4 number of Investor complaints pending with HUDCO as on 30.06.2015. All these complaints have been resolved as on date.

6 All the shares are held by Government of India and its nominees.

7 The unaudited financial results for the three months ended 30th June, 2015 have been Limited Reviewed by the Statutory Auditors.

8 The Dividend of ₹ 100.01 crore and Dividend Tax of ₹ 20.49 crore has been approved in 45th AGM held on 19.10.2015 for payment to Govt. of India.

9 Figures of corresponding period in the previous year have been regrouped, wherever necessary.

10 The above unaudited financial results as reviewed by the Audit Committee were taken on record by the Board of Directors at their meeting held on 26.10.2015 .

for and on behalf of Board of Directors

DATE : 26.10.2015 **Dr. M. Ravi Kanth**
PLACE : NEW DELHI **Chairman & Managing Director**

EXAMINATION REPORT

The Board of Directors
Housing and Urban Development Corporation Ltd.
HUDCO Bhawan, Core-7-A,
India Habitat Centre,
Lodhi Road,
New Delhi - 110 003

Dear Sir,

Re: Proposed public issue by the Housing and Urban Development Corporation Ltd. ("Issuer") of Tax Free Bonds (the "Bonds") of face value of Rs.1,000 each, in the nature of secured, redeemable, non-convertible Bonds at par in one or more tranches for an issue size within the limits of Rs. 5000 crore allocated under notification No. 59/2015 dated July 6, 2015 issued by Central Board of Direct Taxes.

1. We have examined the reformatted financial information of **Housing and Urban Development Corporation Ltd.** (the "Company") annexed to this report and initialed by us for identification purposes only. The said reformatted financial information has been prepared by the Company in accordance with Section 26(1)(b) of Part I of Chapter III of the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("SEBI Regulations"), as amended, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992, and related clarifications and in terms of our engagement letter dated Oct 26, 2015, in connection with the Company's Proposed Issue of secured, redeemable, non-convertible Bonds, having benefits under Section 10(15)(iv)(h) of the Income Tax Act, 1961. The reformatted financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these reformatted financial statements. This reformatted Financial Information is proposed to be included in the Draft Shelf Prospectus, Shelf prospectus and Tranche prospectus (collectively referred to as "offer document") of the Company.

2. **Financial Information as per Audited Financial Statements**

   We have examined the attached 'Statements of Assets and Liabilities' of the Company for the financial year as at 31st March, 2011 to 31st March, 2015 (Annexure I), 'Statement of Profit and Loss' of the Company for the financial years from 31st March, 2011 to 31st March, 2015 (Annexure II), and 'Cash Flow Statement' of the Company for the financial years from 31st March, 2011 to 31st March, 2015 (Annexure III), referred to as **'Reformatted Financial Statements'**. The Reformatted Financial Statements have been extracted from the audited financial statements of the Company. The financial statements of the Company for the year ended 31st March 2013, 2012 and 2011 have been audited by Agiwal & Associates , Chartered Accountants. The Reformatted Financial Statements for the year as at 31st March, 2011 to 31st March, 2015 have been adopted by the board. Based on our examination of these Reformatted Financial Statements, we state that:

   i. These have to be read in conjunction with the Significant Accounting Policies and Significant Notes to the Accounts given in Annexure IV and V, respectively to this report.

   ii. There are no extraordinary items that need to be disclosed separately in the Reformatted Financial Statements.

   iii These Reformatted Financial Statements have been prepared in "Rs. in Crore" for the convenience of the readers.

   iv. There are qualifications in the auditor's report on financial statements as on and for the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 which are given in Annexure XII.

3. We have examined these Reformatted Financial Statements taking into consideration the guidance note on reports in company prospectus (Revised) issued by the Institute of Chartered Accountants of India & it may be informed ***that these Reformatted Financial Statements have not been adjusted for changes in accounting policies retrospectively in the respective financial years to reflect the same accounting policies for all the reporting periods and the adjustments of amounts pertaining to***

previous years in the respective financial years to which they relate.

4. Other Financial Information of the Company:

We have examined the following information relating to the Company as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 proposed to included in the offer document as approved by the Board of Directors annexed to this report:

i. Significant Accounting Policies as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 (Annexure IV);

ii. Significant Notes to Accounts as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 (Annexure V);

iii. Related Party Information as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 (Annexure VI);

iv. Statements of Accounting Ratios as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 (Annexure VII);

v. Statement of the Dividend as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 (Annexure VIII);

vi. Statement of Tax Shelter as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 (Annexure IX);

vii. Capitalization Statement as at 31st March, 2015 (Annexure X); and

viii. Statement of Contingent Liabilities as at and for each of the years ended 31st March, 2015, 2014, 2013, 2012 and 2011 (Annexure XI).

5. This report should not, in any way, be construed as a reissuance or redrafting of any of the previous audit reports nor should this be construed as a new opinion on any of the Reformatted Financial Statements.

6. This report is intended solely for your information and for inclusion in the offer document, in connection with the proposed issue of Bonds, having Benefits Under Section 10(15)(iv)(h) of the Income Tax Act, 1961 and is not to be used, referred to or distributed for any other purpose without our prior written consent.

7. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

For Dhawan & Co.,

Chartered Accountants
(Firm registration No. 002864N)

Place of Signature: New Delhi
Dated: Oct 26, 2015

(Sunil Gogia)
(Partner)
Membership No. 073740

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

Statement of Assets & Liabilities

Annexure - I

(₹ in crore)

S.No	PARTICULARS	NOTE No.	As at 31st March, 2015	As at 31st March, 2014	NOTE No. **	As at 31st March, 2013	NOTE No. *	As at 31st March, 2012	As at 31st March, 2011
I	**EQUITY AND LIABILITIES**								
(1)	**Share Holders' Funds**								
	(a) Share Capital	2	2,001.90	2,001.90	2	2,001.90	2	2,001.90	2,001.90
	(b) Reserves and Surplus	3	5,779.27	5,121.43	3	4,512.06	3	3,986.99	3,519.07
	Sub-Total (1)		**7,781.17**	**7,123.33**		**6,513.96**		**5,988.89**	**5,520.97**
(2)	**Non-current Liabilities**								
	(a) Long-term Borrowings	4	18,315.14	18,868.21	4	13,504.40	4	13,713.59	9,531.54
	(b) Deferred Tax Liabilities (Net)	5	506.89	495.05	5	416.39	5	350.37	281.85
	(c) Other Long-term Liabilities	6	73.11	112.59	6	104.15	6	51.74	119.71
	(d) Long-term Provisions	7	258.92	227.68	7	219.23	7	211.83	163.40
	Sub-Total (2)		**19,154.06**	**19,703.53**		**14,244.17**		**14,327.53**	**10,096.50**
(3)	**Current Liabilities**								
	(a) Short-term Borrowings	8	0.00	20.00	8	48.54	8	0.00	100.00
	(b) Trade Payable	9	9.34	13.76	9	18.78	9	31.10	10.72
	(c) Other Current Liabilities	10	5,977.26	3,176.48	10	5,894.90	10	6,928.91	6,861.00
	(d) Short-term Provisions	11	191.54	176.43	11	228.80	11	217.05	147.74
	Sub-Total (3)		**6,178.14**	**3,386.67**		**6,191.02**		**7,177.06**	**7,119.46**
	Total (1+2+3)		**33,113.37**	**30,213.53**		**26,949.15**		**27,493.48**	**22,736.93**
II	**ASSETS**								
(1)	**Non-current Assets**								
	(a) Fixed Assets	12			12		12		
	(i) Tangible Assets		74.62	68.05		71.06		71.37	74.20
	(ii) Intangible Assets		0.07	0.05		0.00		0.01	0.01
	(iii) Capital work-in-progress		24.94	26.68		17.65		13.87	11.81
			99.63	94.78		88.71		**85.25**	**86.02**
	(b) Non-current Investments	13	355.68	753.88	13	683.98	13	813.98	1,223.98
	(c) Long-term Loans and Advances	14	27,173.93	24,033.96	14	21,141.78	14	19,111.64	16,366.74
	(d) Other Non-current Assets		-	-		-	15	-	6.40
	Sub-Total (1)		**27,629.24**	**24,882.62**		**21,914.47**		**20,010.87**	**17,683.14**
(2)	**Current Assets**								
	(a) Current Investments	15	400.00	-	15	-	16	410.00	75.00
	(b) Trade Receivable	16	10.05	10.07	16	10.60	17	12.52	16.57
	(c) Cash and Bank Balances	17	284.92	271.89	17	696.77	18	2,778.84	716.20
	(d) Short Term Loan & Advances	18	3,869.15	4,178.62	18	3,620.46	19	3,565.44	3,740.27
	(e) Other Current Assets	19	920.01	870.33	18	706.85	19	715.81	505.75
	Sub-Total (2)		**5,484.13**	**5,330.91**		**5,034.68**		**7,482.61**	**5,053.79**
	Total (1+2)		**33,113.37**	**30,213.53**		**26,949.15**		**27,493.48**	**22,736.93**
	Significant Accounting Policies	1			1		1		
	Explanatory Notes	26			25		26		

Note: The Notes referred to above form an integral part of the Financial Statements

* - Note No. as stated after Statement of Assets & Liabilities as at 31st March'2013 may be read for Notes from F Y 2011 to 2012 .

** - Note No. as stated after Statement of Assets & Liabilities as at 31st March'2014 may be read for Notes for F Y 2012-13 .

HOUSING & URBAN DEVELOPMENT CORPORATION LIMITED
Statement of Profit and Loss

Annexure - II
(₹ in crore)

S.no	PARTICULARS	NOTE No.	Year Ended 31st March, 2015	Year Ended 31st March, 2014	NOTE No. **	Year Ended 31st March, 2013	NOTE No. *	Year Ended 31st March, 2012	Year Ended 31st March, 2011
I	**Income**								
(i)	Revenue from Operations	20	3,346.55	2,945.03	19	2,864.55	20	2,736.77	2,262.16
(ii)	Other Income	21	81.22	48.82	20	58.69	21	41.86	16.43
	Total Revenue - I (i+ii)		**3,427.77**	**2,993.85**		**2,923.24**		**2,778.63**	**2,278.59**
II	**Expenses**								
(i)	Finance Cost	22	1,775.38	1,701.71	21	1,567.92	22	1,629.08	1,273.27
(ii)	Employee Benefits Expense	23	161.37	104.84	22	122.30	23	110.52	114.45
(iii)	Depreciation and Amortisation		5.28	4.32		4.96		4.60	11.42
(iv)	Other Expenses	24	38.19	47.32	23	40.52	24	29.77	24.41
(v)	Corporate Social Responsibilities Expenditure		3.23	10.51		10.16		20.87	4.99
(vi)	Provision on Loans		101.28	167.85		68.00		352.18	-112.20
(vii)	Provision on Debtors/recoverables, other loans and advances		2.52	1.33		2.39		6.71	1.43
(viii)	Provision on Investment		-	-		-		-	-
(ix)	Additional Provision on Loans		170.00	(160.00)		65.00		(315.00)	140.00
	Total Expenses (II)		2,257.25	**1,877.88**		**1,881.25**		**1,838.73**	**1,457.77**
III	**Profit before exceptional, extraordinary Items and tax (I-II)**		1,170.52	1,115.97		1,041.99		939.90	820.82
IV	Exceptional Items		0.00	0.00		0.00		0.00	0.00
V	**Profit before extraordinary Items and tax (III-IV)**		**1,170.52**	**1,115.97**		**1,041.99**		**939.90**	**820.82**
VI	Extraordinary Items		-	-		-		-	-
VII	Prior period adjustments - Income/ (-)Expenditure	25	10.42	(21.62)	24	19.71	25	0.07	0.29
VIII	**Profit Before Tax (V-VI+VII)**		**1,180.94**	**1,094.35**		**1,061.70**		**939.97**	**821.11**
IX	**Tax Expense**								
(i)	Current tax		**391.50**	**290.00**		**295.50**		250.00	223.79
(ii)	Deferred tax		**12.07**	**78.66**		**66.01**		68.52	44.49
(iii)	Fringe benefit tax		**-**	-		-		-	-
(iv)	Adjustment of tax of earlier years (Net)		**(0.26)**	**(0.65)**		**(0.37)**		**(8.88)**	2.80
	Total Tax Expense IX (i+ii+iii)		**403.31**	**368.01**		**361.14**		**309.64**	**271.08**
X	**Profit for the period (VIII-IX)**		**777.63**	**726.34**		**700.56**		**630.33**	**550.03**
XI	**Earnings per Share (Face value ₹ 1000)**								
	(Refer S.No 24 of Note No 26 - Explanatory Notes)								
	(1) Basic		**388.45**	**362.83**		**349.95**		314.87	274.75
	(2) Diluted		**388.45**	**362.83**		**349.95**		314.87	274.75

	Significant Accounting Policies	1	1	1
	Explanatory Notes	26	25	26

Note: The Notes referred to above form an integral part of the Financial Statements

* - Note No. as stated after Statement of Assets & Liabilities as at 31st March'2013 may be read for Notes from F Y 2011 to 2012 .

** - Note No. as stated after Statement of Assets & Liabilities as at 31st March'2014 may be read for Notes for F Y 2012-13 .

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NOTE 2: SHARE CAPITAL

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Authorised** 25,000,000 equity shares of ₹ 1000/- each (previous year 25,000,000 equity shares of ₹ 1000/- each)	**2,500.00**	**2,500.00**	**2,500.00**	**2,500.00**	**2,500.00**
B	**Issued, Subscribed and Paid up** 20,019,000 equity shares of ₹ 1000/- each fully paid-up in cash (previous year 20,019,000 equity shares of ₹ 1000/- each fully paid-up in cash)	2,001.90	2,001.90	2,001.90	2,001.90	2,001.90
		2,001.90	**2,001.90**	**2,001.90**	**2,001.90**	**2,001.90**
	(The entire Share Capital is held/owned by the Government of India and its nominees)					

Note 3: RESERVES AND SURPLUS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Capital (KfW) Reserve**					
	Balance from previous year	58.81	58.81	58.80	58.49	56.77
	Add: Additions during the year	1.15	0.00	0.01	0.31	1.72
	Balance as at the end of the year	**59.96**	**58.81**	**58.81**	**58.80**	**58.49**
B	**Securities Premium on Bonds**					
	Balance from previous year	0.04	-	-	-	-
	Add: Additions during the year	-	0.04	-	-	-
	Balance as at the end of the year	0.04	0.04	**0.00**	**0.00**	**0.00**
	Additions in Securities Premium Account for the financial year 2013-14 represent the premium received on issue of Tax Free Bonds through private placement.					
C	**Debenture/ Bonds Redemption Reserve**					
	Balance from previous year	859.71	481.54	192.27	-	-
	Add: Transferred from Surplus in Statement of Profit & Loss	378.17	378.17	289.27	192.27	-
	Balance as at the end of the year	**1,237.88**	**859.71**	**481.54**	**192.27**	**0.00**
	Prior to the issuance of circular no. 04/2013 dated 11.02.2013, issued by the Ministry of Corporate Affairs (MCA), the company had to create a Debenture / Bonds Redemption Reserve (DRR / BRR) equivalent to 50% of the value of bonds issued (based on repayment tenure of respective bonds) through public issue, before the commencement of redemption of respective bonds as per the then prevalent SEBI Debt Regulations and section 117 C of the Companies Act, 1956. The creation of DRR / BRR was revised to 25% after issuance of the above circular. The company, accordingly, has created proportionate Debenture / Bond Redemption Reserve on Bonds issued upto the financial year 2012-13, equivalent to 50% on yearly basis, before commencement of redemption of respective bonds; and equivalent to 25% on bonds issued during the financial year 2013-14.					
D	**General Reserve** **(Retained earnings from company's profit and saved to offset potential future losses that not yet been specifically identified** and revaluation and any other items approved by Board (within statutory usage of the same))					
	Balance from previous year	1,014.21	1,014.06	1,013.96	1,007.83	810.06
	Add: Transferred from Surplus in Statement of Profit & Loss	0.26	0.15	0.10	6.13	197.77
	Less: Utilised for change in Depreciation Accounting as per Companies Act 2013	0.44	-	-	-	-
	Balance as at the end of the year	**1,014.03**	**1,014.21**	**1,014.06**	**1,013.96**	**1,007.83**
E	**Special Reserve**					
	(a) Created (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 upto Financial Year 1996-97)					
	Balance from previous year	181.75	181.75	181.75	181.75	181.75
	(b) Created and Maintained (u/s 36(1) (viii) of the Income Tax Act,1961 and u/s 29C of NHB Act,1987 from Financial Year 1997-98 onwards)					
	Balance from previous year	2,872.05	2,622.05	2,352.05	2,084.05	1,870.05
	Add: Transferred from Surplus in Statement of Profit & Loss	310.00	250.00	270.00	268.00	214.00
		3,182.05	2,872.05	2,622.05	2,352.05	2,084.05
	Balance at the end of the year	**3,363.80**	**3,053.80**	**2,803.80**	**2,533.80**	**2,265.80**
F	**Welfare Reserve** **(This is to be used for the Welfare of employees of the company as per approved guidelines)**					
	Balance from previous year	66.56	66.56	58.16	56.95	46.56
	Less: Transferred to Statement of Profit & Loss	-	-	-	0.91	-
	Add: Transferred from Statement of Profit & Loss	-	-	2.87	-	3.59
	Add: Transferred from Surplus in Statement of Profit & Loss	-	-	5.53	2.12	6.80
	Balance as at the end of the year	**66.56**	**66.56**	**66.56**	**58.16**	**56.95**
	(Refer S.No. 11 of Note 26 - Explanatory Notes)					
G	**Corporate Social Responsibility (CSR) Reserve**					
	Add: Transferred from Surplus in Statement of Profit & Loss	-	19.52	19.87	-	-
	Less: Transferred to Statement of Profit & Loss	-	19.52	0.35	-	-
	Balance at the end of the year	**0.00**	**0.00**	**19.52**	**0.00**	**0.00**
H	**Sustainable Development Reserve**					-
	Add: Transferred from Surplus in Statement of Profit & Loss	-	0.77	0.77	-	-
	Less: Transferred to Statement of Profit & Loss	-	0.77	-	-	-
	Balance as at the end of the year (Refer S.No 22 (b) of Note No 25 - Explanatory Notes)	**0.00**	**0.00**	**0.77**	**0.00**	**0.00**
I	**Surplus Account**					
i	Balance from previous year	68.30	67.00	130.00	130.00	130.00
ii	Add: Balance from statement of Profit & Loss	777.63	726.34	700.56	630.33	550.03
iii	Add: Transferred from Welfare Reserve	-	-	-	0.91	-
iv	Add: Transferred from Corporate Social Responsibility (CSR) Reserve	0.00	19.52	0.35	-	-
v	Add: Transferred from Sustainable Development Reserve	0.00	0.77	-	-	-
vi	Less: Transferred to Welfare Reserve	0.00	0.00	2.87	-	3.59
vii	**Total amount available for appropriation**	845.93	**813.63**	**828.04**	**761.24**	**676.44**
viii	Less: Interim/Proposed Final Dividend (Refer S.No. 21 of Note 26 - Explanatory Notes)	100.01	100.01	150.00	140.01	110.02
ix	Less: Dividend Tax	20.49	17.00	25.50	22.71	17.85
x	Less: Special Reserve	310.00	250.00	270.00	268.00	214.00
xi	Less: Bonds Redemption Reserve	378.17	378.17	289.27	192.27	-
xii	Less: General Reserve	0.26	0.15	0.10	6.13	197.77
xiii	Less: Welfare Reserve	-	-	5.53	2.12	6.80
xiv	Less: Corporate Social Responsibility (CSR) Reserve	-	-	19.87	-	-
xv	Less: Sustainable Development Reserve	-	-	0.77	-	-
xvi	Balance as at the end of the year	37.00	**68.30**	**67.00**	**130.00**	**130.00**
	Total Reserves and Surplus	**5,779.27**	**5,121.43**	**4,512.06**	**3,986.99**	**3,519.07**

NOTE 4: NON CURRENT - LONG TERM BORROWINGS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
(A)	**SECURED LOANS**					
I	**Special Priority Sector Bonds** — Date of Allotment					
	SPS Bond series B & C (Bank of India) — 10.06.1998	46.50	52.25	57.50	62.50	67.20
	[Refer Details of Long-term Borrowing - (A) I] **Sub-Total A - I**	**46.50**	**52.25**	**57.50**	**62.50**	**67.20**
	The repayment dates for SPS bonds series B and C is semi annual: for series B from 10.12.2008 to 10.06.2015 and for series C from 10.12.2015 to 10.06.2022.					
	Bonds are secured by lien over Certificate of Deposits for US $ 10.44 million (Previous year US $ 11.50 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans.					
II (a)	**TAX FREE BONDS 2011**	5,000.00	5,000.00	5,000.00	5,000.00	-
	Sub-Total II (a)	5,000.00	5,000.00	5,000.00	5,000.00	
II (b)	**TAX FREE BONDS 2012**	2,401.35	2,401.35	2,401.35	-	-
	Sub-Total II (b)	2,401.35	2,401.35	2,401.35	-	
II (c)	**TAX FREE BONDS 2013**	4,987.12	4,987.12	-	-	-
	Sub-Total II (c)	4,987.12	4,987.12	-	-	
	Total II (a) + (b)+ (c)	**12,388.47**	**12,388.47**	**7,401.35**	**5,000.00**	**-**
	The bonds are secured by a floating first pari-passu charge on the present & future receivables of the company to the extent of amount mobilised under the issue. However, the company reserves the right to create first pari-passu charge on the present and future receivable for its present and future financial requirements.					
III	**LOANS FROM BANKS**					
	Bank of India	69.82	78.30	86.27	93.77	100.81
	[Refer Details of Long-term Borrowing - (A) II]	**69.82**	**78.30**	**86.27**	**93.77**	**100.81**
	Secured by lien over Certificate of Deposits for US $ 15.66 million (Previous year US $ 17.25 million) placed under swap arrangement with Bank of India, Cayman Islands Branch, New York. The deposits are co-terminus with the maturity schedule of the underlying ADB loans. Repayable from 10.12.2002 to 10.06.2022.					
IV	**LOANS FROM FINANCIAL INSTITUTIONS**					
	National Housing Bank	2,467.84	1,281.73	579.96	212.00	-
		2,467.84	**1,281.73**	**579.96**	**212.00**	**-**
	Secured by Bank guarantee for an amount of ₹ 862.50 crore (previous year ₹ 437.50 crore) [being 25% of loan amount of ₹ 3,450 crore (previous year ₹ 1,750 crore) sanctioned/disbursed by NHB] 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 the secured tax free bonds of ₹ 5,000 crore mobilised during 2011-12, ₹ 2,401.3526 crore mobilised during 2012-13 and ₹ 4,987.12 crore mobilised during 2013-14, repayable upto 01.01.2025.					
	Total Secured Loans	**14,972.63**	**13,800.75**	**8,125.08**	**5,368.27**	**168.01**
(B)	**UNSECURED LOANS**					
I	**BONDS**					
(i)	HUDCO Bonds- Non Cumulative redeemable at par	2,499.20	3,308.20	2,826.90	3,863.30	4,608.50
(ii)	HUDCO Gujarat Punarnirman Special Tax free Bonds	-	-	-	-	73.50
		2,499.20	**3,308.20**	**2,826.90**	**3,863.30**	**4,682.00**
II	**LOANS FROM VARIOUS BANKS**					
	(Repayable within 10 years from the date of drawal) Covered by irrevocable power of attorney in favour of lenders / trustee.					
	Term loans from Banks (PLR/ Base Rate)	-	361.08	961.12	3,082.80	3,119.40
		-	**361.08**	**961.12**	**3,082.80**	**3,119.40**
III	**LOANS FROM FINANCIAL INSTITUTIONS :**					
(i)	General Insurance Corporation of India & its four subsidiaries	-	-	-	-	5.53
		-	**-**	**-**	**-**	**5.53**
IV	**LOANS FROM GOVERNMENT OF INDIA UNDER:**					
	Line of credit from Kreditanstalt für Wiederaufbau (KfW)	-	0.17	23.62	52.96	52.96
		-	**0.17**	**23.62**	**52.96**	**52.96**
V	**Public Deposits @ 6% p.a. to 12.5% p.a. [Refer Details of Long-term Borrowing - (B) I]**					
	Repayable over a period of two to seven years	324.82	810.90	951.14	667.88	839.62
		324.82	**810.90**	**951.14**	**667.88**	**839.62**
VI	**Interest Bearing Cash Securities**					
	[Refer Details of Long-term Borrowing - (B) II]	8.53	8.53	-	0.15	0.15
		8.53	**8.53**	**0.00**	**0.15**	**0.15**
VII	**LOANS IN FOREIGN CURRENCY :**					
(i)	Loans from Japan Bank for International Cooperation (JBIC)	160.34	200.12	223.23	265.57	247.41
(ii)	Loans from Asian Development Bank (ADB)	246.64	270.10	281.18	295.51	295.87
(iii)	Loans from US Capital Market	102.98	108.36	112.13	117.15	120.59
	(Guaranteed by USAID & Counter Guaranteed by Canara Bank @ 0.5% of the outstanding Loan)					
		509.96	**578.58**	**616.54**	**678.23**	**663.87**
	Total Unsecured Loans	**3,342.51**	**5,067.46**	**5,379.32**	**8,345.32**	**9,363.53**
	Grant Total	**18,315.14**	**18,868.21**	**13,504.40**	**13,713.59**	**9,531.54**

NOTE TO NOTE 4: NON CURRENT - BORROWINGS (pertaining to Loan Outstanding as on 31.03.2015)

NOTE 4 (Contd.)

Details of Long-term Borrowing

(Foreign Currency amounts in Millions, INR ₹ in crore)

S. No.	Date of drawal /Institution	Rate on drawal	No of Bonds to be redeemed	Amount of Bonds to be redeemed	Rate of Interest as on 31.3.2015	Frequency of repayment	Redemption Details
(A)	**Secured Loans**						
I	**Special Priority Sector Bonds**						
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20		Semi-Annual	10th June, 2022
	SPS Bonds Series C (Bank of India)	12.00%	84	4.20		Semi-Annual	10th December, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00		Semi-Annual	10th June, 2021
	SPS Bonds Series C (Bank of India)	12.00%	80	4.00		Semi-Annual	10th December, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70	@ 1 year G.Sec. + 350 bps p.a. Currently the ROI is 11.54 % p.a.	Semi-Annual	10th June, 2020
	SPS Bonds Series C (Bank of India)	12.00%	74	3.70		Semi-Annual	10th December, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10th June, 2019
	SPS Bonds Series C (Bank of India)	12.00%	71	3.55		Semi-Annual	10th December, 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	3.30		Semi-Annual	10th June, 2018
	SPS Bonds Series C (Bank of India)	12.00%	66	3.30		Semi-Annual	10th December, 2017
	SPS Bonds Series C (Bank of India)	12.00%	60	3.00		Semi-Annual	10th June, 2017
	SPS Bonds Series C (Bank of India)	12.00%	60	3.00		Semi-Annual	10th December, 2016
	SPS Bonds Series C (Bank of India)	12.00%	60	3.00		Semi-Annual	10th June, 2016
	Total Special Priority Sector Bonds			**46.50**			
S.No.	**Date of drawal /Institution**	**Rate on drawal**	**Amount Drawn**	**Amount Outstanding**	**Rate of Interest as on 31.3.2015**	**Frequency of repayment**	**Redemption Details**
II	**Bank of India**						
	-15.02.1999	12.50%	150.00	69.82	@ 1 years G-Sec + 350bps p.a. Currently the ROI is 11.54% p.a	Semi-Annual	10th Jun. and 10th Dec.
III	**National Housing Bank**						
	-12.12.2011	6.25%	250.00	98.00	6.25%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-25.04.2012	6.25%	250.00	117.00	6.25%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-30.10.2012	6.75%	250.00	138.88	6.75%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-09.04.2013	6.75%	500.00	314.82	6.75%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-17.12.2013	8.00%	500.00	351.85	8.00%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-02.06.2014	6.85%	555.00	431.64	6.85%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-03.06.2014	7.10%	195.00	151.62	7.10%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-26.12.2014	7.35%	500.00	448.68	7.35%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-08.01.2015	7.35%	229.00	211.36	7.35%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	-15.01.2015	7.35%	221.00	203.99	7.35%	Quarterly	st- Apr.,Jul.,Oct. & Jan.
	Total National Housing Bank			**2,467.84**			
(B)	**Unsecured Loans**						
I	**Public Deposits**						
	Apr., 2016 - Mar. 2017			225.48		Repayable over a period of two to seven years	
	Apr., 2017 - Mar. 2018			90.27			
	Apr., 2018 - Mar. 2019			7.91			
	Apr., 2019 - Mar. 2020			1.05			
	Apr., 2020 - Mar. 2021			0.08			
	Apr., 2021 - Mar. 2022			0.03			
	Total Public Deposits			**324.82**			
II	**Interest bearing Cash Securities**						
i	**Lotus Hospitals & Research Centre Limited**						
	- 08.06.2013	8.25%	5.00	5.00	8.25%	Bullet basis	07.06.2020
	- 01.07.2013	8.25%	3.26	3.26	8.25%	Bullet basis	30.06.2020
				8.26			
ii	**TLV Builders**						
	- 05.04.2013	8.50%	0.27	0.27	8.50%	Bullet basis	04.04.2020
				0.27			
	Total Interest bearing Cash Securities			**8.53**			

Details of Long-term Borrowing

(Foreign Currency amounts in Millions, INR ₹ in crore)

S.No.	Date of drawal / Institution	Currency of drawal	Amount Drawn	Amount Outstanding	Rate of Interest as on 31.3.2015	Frequency of repayment	Redemption Details
III	**LOANS IN FOREIGN CURRENCY :**						
i	**Loans from JBIC**						
	- 28.03.1997	JPY	1,157.16				
	- 27.03.1998	JPY	406.00				
	- 31.03.1999	JPY	944.65				
	- 22.06.1999	JPY	1,159.92				
	- 16.11.1999	JPY	241.34				
	- 17.03.2000	JPY	3,613.47				
	- 06.10.2000	JPY	67.60				
	- 10.11.2000	JPY	176.27				
	- 15.12.2000	JPY	295.15				
	- 27.02.2001	JPY	351.39				
	- 30.03.2001	JPY	257.05				
	Unswapped JBIC outstanding Loan out	JPY	2,139.31	111.48	2.10% p.a. (fixed)	Semi-Annual	Repayable from 20.07.2018 to 20.07.2023
	Swapped JPY outstanding Loan out of with Yes Bank (Tranche-II)	JPY	845.85	48.86	2.10% p.a. (fixed), in addition Principal only Swap premium @ 4.40% p.a.	Semi-Annual	Repayable from 20.07.2016 to 20.01.2018
	Total JBIC			**160.34**			
ii	**Loan from Asian Development Bank**						
	- 31.12.1997	US $	20.00				
	- 13.11.1998	US $	30.00				
	Swapped US $ outstanding Loan out of above with Bank of India	US $	2.33	145.67	@ 6M LIBOR for US $ + 0.40% p.a. Currently the ROI is 0.7384% p.a	Semi-Annual	Repayable from 15.06.2016 to 15.06.2022
	- 06.12.1999	US $	50.00				
	Swapped US $ outstanding Loan out of above with Exim Bank	US $	23.27	100.97	12.50% p.a	Semi-Annual	
	Total Asian Development Bank			**246.64**			
iii	**Loan from US Capital Market**						
(a)	**USAID-1**						
	-24.09.1999	US $	10.00				
	Swapped US $ outstanding Loan out of above with Exim Bank	US $	6.75	29.43	12.50% p.a	Semi-Annual	Repayable from 23.09.2016 to 23.09.2029
(b)	**USAID-2**						
	- 28.09.2000	US $	20.00				
	Swapped US $ outstanding Loan out of above						
	with ICICI Bank	US $	4.50	20.01	Swap premium @ 6.18% p.a		Repayable from 15.09.2016 to 15.09.2030
	with State Bank of India	US $	5.00	22.25	Swap premium @ 6.2025% p.a	Semi-Annual	
	Unswapped US $ outstanding Loan out of above	US $	5.00	31.29	@ 6M LIBOR for US $ + 0.035% p.a. Currently the ROI is 0.4381% p.a		
	Total USAID			**102.98**			
	Total Foreign Currency Loans			**509.96**			

NOTE 5: DEFERRED TAX LIABILITIES

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Deferred Tax Liabilities**					
i	Depreciation	4.77	4.67	4.41	4.00	3.71
ii	Depreciation on account of restatement of useful life as per Companies Act 2013	(0.23)	-	-	-	-
iii	Special Reserve u/s 36(1)(viii) of Income Tax Act,1961 and 29 C of NHB Act,1987	1,164.21	1,037.99	953.01	822.22	735.25
	Sub Total (A)	1,168.75	1,042.66	957.42	826.22	738.96
B	**Deferred Tax Assets**					
i	Provision on investment	1.17	1.15	1.15	1.10	1.10
ii	Provision for Debtors	4.97	4.11	3.68	2.74	0.56
iii	Provision on Loans	590.13	487.35	484.68	419.57	407.50
iv	Provision on Jabalpur Earthquake	-	1.69	1.70	1.62	1.62
v	Provision for staff loans	0.03	0.03	0.03	0.03	0.03
vi	Provision on advances	0.15	0.09	0.05	0.15	0.15
vii	Provision for leave encashment	9.65	7.69	11.28	9.06	8.52
viii	Provision for retirement benefit	40.73	32.74	30.39	23.31	20.50
ix	Provision for Welfare Expenses	0.38	0.18	0.19	0.08	0.08
x	Provision for LTC	1.36	3.08	3.96	4.45	3.71
xi	Provision for PF Contribution	-	-	1.40	2.83	4.52
xii	Provision for Pension Fund	9.82	-	-	-	-
xiii	Disallowance of interest under section 43B of Income Tax Act, 1961	3.47	3.28	2.52	4.46	8.82
xiv	Provision on Corporate Social Responsibility (CSR) & Sustainable Development (SD)	0.00	6.22	-	6.45	-
	Sub Total (B)	661.86	547.61	541.03	475.85	457.11
C	**Net Deferred Tax Liabilities (A) - (B)**	506.89	495.05	416.39	350.37	281.85

NOTE 6: OTHER LONG TERM LIABILITIES

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Others**					
i	Security and other deposits	8.33	7.20	6.02	5.92	16.08
B	**Interest accrued but not due**					
i	Unsecured Loans	64.78	105.39	98.13	45.82	103.63
	Total	73.11	112.59	104.15	51.74	119.71

NOTE 7: LONG TERM PROVISIONS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Provision for employees benefit**					
(i)	Leave encashment	22.48	20.63	29.65	25.02	23.78
(ii)	Post retirement medical benefit	115.03	93.74	81.69	65.39	57.94
(iii)	Welfare expenses	1.00	0.47	0.49	0.23	0.19
(iv)	Leave travel concession	0.09	4.51	-	13.71	11.43
(v)	Provident Fund (funded) (Refer S.No. 9 of Note 26 - Explanatory Notes)	-	-	4.12	8.73	13.94
B	**Others**					
(i)	Contingent Provisions for Standard Assets as per NHB norms (Refer S.No. 3 (b) & 25 of Note 26 - Explanatory Notes)	120.32	108.33	103.28	98.75	56.12
	Total	258.92	227.68	219.23	211.83	163.40
	Refer S. No. 10 of Note 26 - Explanatory Notes for movement of Provisions as per AS 29.					

NOTE 8: SHORT TERM BORROWINGS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Secured Loan from Bank (Short Term)**					
	Loan against Fixed Deposit (Repayable within one year)	0.00	0.00	48.54	0.00	0.00
B	**Unsecured Loan from Bank (Short Term)**					
	(@ 9.75% p.a., repayable on 24.09.2014 by way of bullet repayment)	0.00	20.00	0.00	0.00	100.00
	Total	0.00	20.00	48.54	0.00	100.00

NOTE 9: TRADE PAYABLE

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Expenses Payable**					
(i)	Total outstanding dues of Micro Enterprises and small Enterprises	-	-	-	-	-
(ii)	Total outstanding dues of Creditors other than Micro Enterprises and small Enterprises (Refer S.No. 17 of Note 26 - Explanatory Notes)	9.34	13.76	18.78	31.10	10.72
	Total	9.34	13.76	18.78	31.10	10.72

NOTE 10: OTHER CURRENT LIABILITIES

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
(A)	**CURRENT MATURITIES OF LONG TERM DEBT**					
I	**SECURED LOANS**					
i	Special Priority Sector Bonds series B & C (Bank of India) [Details of Current Maturity of long term debt- (A) I (i)]	5.75	5.25	5.00	4.70	4.45
ii	Loan from Bank (Bank of India) [Details of Current Maturity of long term debt- (A) I (ii)]	8.48	7.97	7.50	7.05	6.63
iii	National Housing Bank [Details of Current Maturity of long term debt- (A) I (iii)]	352.40	195.89	84.78	28.50	-
	Sub Total Secured Loans	**366.63**	**209.11**	**97.28**	**40.25**	**11.08**
II	**UNSECURED LOANS**					
i	DEBENTURES	-	-	-	-	77.00
ii	BONDS - Non Cumulative redeemable at par	809.00	210.00	1,536.40	1,485.60	2,314.01
iii	LOANS FROM VARIOUS BANKS - Term Loan from Banks (PLR / Base Rate)	-	550.05	1,227.32	3,045.60	3,044.11
		809.00	**760.05**	**2,763.72**	**4,531.20**	**5,435.12**
iv	LOANS FROM FINANCIAL INSTITUTIONS :					
(a)	General Insurance Corporation of India & its four subsidiaries	-	-	-	5.53	21.19
(b)	Life Insurance Corporation Of India	-	-	-	-	13.33
		0.00	**0.00**	**0.00**	**5.53**	**34.52**
v	**LOANS FROM GOVERNMENT OF INDIA UNDER :**					
	Line of credit from Kreditanstalt für Wiederaufbau (KfW)					
	[Refer Details of Current Maturity of long-term debt - (A) II (i)]	0.17	23.45	29.34		
	Total Government of India Loans	**0.17**	**23.45**	**29.34**		
vi	**Public Deposits**					
	Repayable with in one year [Details of Current Maturity of long term debt- (A) II (ii)]	1,099.36	403.69	288.31	**484.24**	**625.39**
		1,099.36	**403.69**	**288.31**	**484.24**	**625.39**
vii	**Interest Bearing Cash Securities**				-	0.03
					-	**0.03**
viii	**LOANS IN FOREIGN CURRENCY :**					
(a)	Loan from JBIC	25.40	25.40	25.40	18.81	14.91
(b)	Loan from Asian Development Bank	29.95	27.50	24.44	22.22	19.45
(c)	Loan from US Capital Market	6.63	6.63	6.63	6.63	6.63
		61.98	**59.53**	**56.47**	**47.66**	**40.99**
	Sub Total Usecured Loans	**1,970.51**	**1,246.72**	**3,137.84**	**5,068.63**	**6,136.05**
	Total Current maturities of LongTerm Debt	**2,337.14**	**1,455.83**	**3,235.12**	**5,108.88**	**6,147.13**
(B)	Interest accrued but not due	504.10	494.40	322.50	400.48	389.56
(C)	Bank book overdraft in current account [see footnote (B) 1]	2,815.50	960.71	2,079.45	1,144.08	50.00
(D)	Sundry Creditors * [Refer S.No. 17 of Note No 26 - Explanatory Notes]	0.41	0.65	0.29	0.43	0.38
(E)	Security, Earnest money and other deposits	4.80	1.86	1.74	1.42	1.19
(F)	Amount received in advance	7.06	6.39	6.18	10.51	6.66
(G)	Liability towards Investors Education and Protection Fund [see footnote (B) 2]	32.95	18.11	35.25	52.38	29.60
(H)	KfW R & D account	47.87	48.04	48.22	50.07	49.95
(I)	KfW Interest account	9.87	9.87	9.87	9.87	9.87
(J)	Amount received from KfW [see footnote (B) 3 and (B) 4]	97.55	94.09	94.11	94.32	91.34
(K)	Grant / Subsidy received from different Ministries/Agencies [see footnote (B) 4]	8.94	9.41	8.77	8.57	8.25
(L)	Amt payable to Ministry - AGP and BCP	1.05	1.01	0.97	0.93	30.18
(M)	Amount Payable to Staff	13.25	16.80	16.52	16.41	10.46
(N)	Other Liabilities **	96.77	59.31	35.91	30.56	36.43
		3,640.12	**1,720.65**	**2,659.78**	**1,820.03**	**713.87**
		5,977.26	**3,176.48**	**5,894.90**	**6,928.91**	**6,861.00**

* Includes ₹ 0.40 crore (Previous year ₹ 0.31 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note No 26 - Explanatory Notes].

** Includes ₹ 0.03 crore (Previous year ₹ 0.03 crore) on account of Andrews Ganj Project [Refer S.No. 2(b) of Note No 26 - Explanatory Notes].

NOTE TO NOTE 10: OTHER CURRENT LIABILITIES - CURRENT MATURITIES OF LONG TERM DEBT
(pertaining to Loan Outstanding as on 31.03.2015)

Details of Current Maturity of long term debt **(Foreign Currency amounts in Millions, INR ₹ in crore)**

S.No.	Date of drawal / Institution			Amount	Rate of Interest as on 31.03.2015	Redemption Details
I	**Secured Loans**					
(i)	**Special Priority Sector Bonds**				@ 1 year G.Sec.+ 350 bsp p.a. Currently the ROI is 11.54% p.a.	
	SPS Bond Series C (Bank of India)			3.00		10.12.2015
	SPS Bond Series B (Bank of India)			2.75		10.06.2015
	Total Special Priority Sector Bonds			**5.75**		
(ii)	**Loan from Bank of India**					
	-15.02.1999			4.17	11.54%	10.06.2015
	-15.02.1999			4.31	11.54%	10.12.2015
	Total Bank of India			**8.48**		
(iii)	**National Housing Bank**					
	- 15.01.2015			17.01	7.35%	01.07.2015, 01.10.2015 and 01.01.2016
	- 08.01.2015			17.64	7.35%	01.07.2015, 01.10.2015 and 01.01.2016
	- 26.12.2014			38.49	7.35%	01.07.2015, 01.10.2015 and 01.01.2016
	- 03.06.2014			21.69	7.10%	01.07.2015, 01.10.2015 and 01.01.2016
	- 02.06.2014			61.68	6.85%	01.07.2015, 01.10.2015 and 01.01.2016
	- 17.12.2013			55.56	8.00%	01.07.2015, 01.10.2015 and 01.01.2016
	- 09.04.2013			55.55	6.75%	01.07.2015, 01.10.2015 and 01.01.2016
	- 30.10.2012			27.78	6.75%	01.07.2015, 01.10.2015 and 01.01.2016
	- 25.04.2012			28.50	6.25%	01.07.2015, 01.10.2015 and 01.01.2016
	- 12.12.2011			28.50	6.25%	01.07.2015, 01.10.2015 and 01.01.2016
	Total National Housing Bank			**352.40**		
II	**Unsecured Loans**					
(i)	**LOAN FROM GOVERNMENT OF INDIA UNDER :**					
	Line of credit from Kreditanstalt für Wiederaufbau (KfW)					
	-11.11.1993			0.17	5.75%	11.11.2015
	Total KfW Loan			**0.17**		
(ii)	**Public Deposits**					
	April, 2015			53.38		Repayable within one year
	May, 2015			47.75		
	June, 2015			49.76		
	July, 2015			51.92		
	August, 2015			50.29		
	September, 2015			102.13		
	October, 2015 to March, 2016			744.13		
	Total Public Deposits			**1,099.36**		
(iii)	**Loans in Foreign Currency:**					
(a)	**Loan from JBIC**					
	Swapped with YES Bank	JPY	422.93	25.40	2.10% p.a. (fixed), in addition Principle only Swap premium @ 6.6125% p.a	20.07.2015 and 20.01.2016
(b)	**Loan from Asian Development Bank**					
	Swapped with Bank of India	US $	2.83	17.68	@ 6M LIBOR for US $ + 0.40% p.a. currently the ROI is 0.7384% p.a.	15.06.2015 and 15.12.2015
	Swapped with Exim Bank	US $	2.83	12.27	12.50% p.a.	
	Total IV (ii)			**29.95**		
(c)	**Loan from US Capital Market**					
	USAID-1					
	Swapped with Exim Bank	US $	0.50	2.18	12.50% p.a.	23.09.2015 and 23.03.2016
	USAID-2					
	Swapped with ICICI Bank	US $	1.00	4.45	Swap premium @ 6.18% p.a	15.09.2015 and 15.03.2016
	Total IV (iii)			**6.63**		
	Total Foreign Currency Loans			**61.98**		

Note 10 (Contd.)

(B) Footnotes: **(₹ in crore)**

	Name of the Banks	As at 31st March,2015	As at 31st March, 2014
1	Indian Bank	-	77.01
	State Bank of India	500.00	500.00
	Vijaya Bank	-	383.70
	Punjab National Bank	265.40	-
	Bank of Baroda	334.60	-
	Canara Bank	250.00	-
	Uco Bank	215.40	-
	State Bank of Hyderabad	250.00	-
	United Bank of India	699.97	-
	Union Bank of India	300.00	-
	Total	**2,815.37**	**960.71**
2	Liability towards Investors Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 will be determined on the respective due dates. Debentures/ Bonds/ PDS aggregating to ₹ 32.95 crore towards principal and interest (Previous Year ₹ 18.11 crore) were due and unclaimed as on 31.3.2015. During the year an amount of ₹ 8.75 crore (previous year ₹ 1.19 crore) has been transferred to IEPF after completion of statutory period of seven years. {Refer S.No. 16 (b) of Note 26 - Explanatory Notes}		
3	Includes Principal overdue & interest overdue as on 31.03.2015 amounting to ₹ Nil (previous year ₹ 4.61 crore) and ₹ Nil (previous year ₹9.06 crore) respectively.		
4	Includes ₹ 8.96 crore (Previous year ₹ 9.41 crore) (Net of refunds) as on 31.03.2015 received on account of various Grants/ Subsidies. Cummulative Grants/ Subsidies received as on 31.03.2015 is ₹ 1461.65 crore (Previous year ₹ 1457.37 crore), out of which ₹ 1452.69 crore (Previous year ₹ 1447.96 crore) has been released (Net of refunds). The Utlisation Certificates to the extend of ₹ 1328.67 crore has been received and for balance amount of Utilisation Certificates are being followed up.		

NOTE 11: SHORT TERM PROVISIONS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Provision for employees benefit**					
(i)	Leave encashment	5.41	1.98	3.53	2.91	2.47
(ii)	Post retirement medical benefit	2.64	2.58	7.73	6.45	5.23
(iii)	Welfare expenses	0.11	0.06	0.07	0.02	0.04
(iv)	Leave travel concession	3.85	4.56	11.64	0.00	0.00
	(Refer S.No. 9 of Note 26 - Explanatory Notes)					
B	**Others**					
(i)	Provision for Income Tax/FBT	396.90	292.50	297.00	253.00	-
(ii)	Less: Advance Income Tax (Including TDS)	365.13	278.73	286.24	250.34	-
(iii)	Net Provision for Income Tax (i-ii)	31.77	13.77	10.76	2.66	-
(iv)	Wealth tax	0.25	0.25	0.20	0.15	0.15
(v)	Proposed Final Dividend	100.01	100.01	150.00	140.01	110.02
(vi)	Dividend Tax	20.49	17.00	25.50	22.71	17.85
C	**Contingent Provisions for Standard Assets as per NHB norms**	17.07	17.92	19.37	22.27	11.98
	(Refer S.No. 3 (b) & 25 of Note 26 - Explanatory Notes)					
D	**Corporate Social Responsibilities (CSR) and Sustainable Development (SD)**					
(i)	Opening Balance	18.30	-	-	25.86	-
(ii)	Add: Adjustment during the year	0.11	20.29	-	-	-
(iii)	Add: Provision for the year	0.00	10.51	-	-	-
(iv)	Less: Cumulative Expenditure Incurred	8.47	12.50	-	5.99	-
	(Refer S.No. 29 (a) of Note 26 - Explanatory Notes)	9.94	18.30	-	19.87	-
	Total	**191.54**	**176.43**	**228.80**	**217.05**	**147.74**

Refer S. No. 10 of Note 26 - Explanatory Notes for movement of Provisions as per AS 29.

NOTE 12: FIXED ASSETS

(₹ in crore)

S.No.	ITEMS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK				
		As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2015 **	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011	As at 31.03.2015	As at 31.03.2014	As at 31.03.2013	As at 31.03.2012	As at 31.03.2011
A	**TANGIBLE**															
i	Land (Freehold)	4.61	4.61	4.61	4.86	4.86	-	-	-	-	-	4.61	4.61	4.61	4.86	4.86
ii	Land (Leasehold) * #	10.83	8.23	8.24	7.99	8.09	1.64	1.53	1.44	1.34	1.25	9.19	6.70	6.80	6.65	6.84
iii	Building (Freehold)	12.43	9.71	9.71	3.13	3.13	6.08	5.44	5.21	2.15	2.09	6.35	4.27	4.50	0.99	1.04
iv	Building (Leasehold) #	84.23	78.82	78.86	82.73	82.73	41.66	40.36	38.35	39.06	36.76	42.57	38.46	40.51	43.67	45.97
v	Flat (Freehold) #	15.64	10.36	10.36	9.05	9.05	9.81	5.81	5.57	4.42	4.18	5.83	4.55	4.79	4.63	4.87
vi	Flat (Leasehold) #	5.33	10.61	10.61	11.92	11.92	3.24	6.85	6.65	7.30	7.06	2.09	3.76	3.96	4.62	4.86
vii	Airconditioner and Cooler	2.37	2.18	2.03	1.73	1.70	1.60	1.31	1.26	1.29	1.23	0.77	0.87	0.77	0.44	0.47
viii	Office Equipments	21.48	21.22	20.90	25.78	24.52	19.44	17.73	17.26	21.89	21.22	2.04	3.49	3.64	3.89	3.30
ix	Furniture and Fixtures	5.12	4.83	4.69	4.53	4.48	4.30	4.03	3.95	3.81	3.68	0.82	0.80	0.74	0.72	0.80
x	Vehicle	1.93	1.93	2.04	1.98	2.32	1.58	1.39	1.30	1.07	1.12	0.35	0.54	0.74	0.91	1.20
xi	Library Books	0.96	0.95	0.93	0.91	0.89	0.96	0.95	0.93	0.91	0.89	-	-	0.00	-	-
xii	Miscellaneous Assets	3.85	3.80	3.79	3.79	3.70	3.85	3.80	3.79	3.79	3.70	-	-	0.00	-	-
	Total A	**168.78**	**157.25**	**156.77**	**158.40**	**157.39**	**94.16**	**89.20**	**85.71**	**87.03**	**83.18**	**74.62**	**68.05**	**71.06**	**71.38**	**74.21**
B	**INTANGIBLE**															
i	Software	1.72	1.68	1.63	1.63	1.63	1.65	1.63	1.63	1.62	1.62	0.07	0.05	0.00	0.01	0.01
	Total A + B	**170.50**	**158.93**	**158.40**	**160.03**	**159.02**	**95.81**	**90.83**	**87.34**	**88.65**	**84.80**	**74.69**	**68.10**	**71.06**	**71.39**	**74.22**
C	**Less : Grants**															
i	Air Conditioner	-	-	-	0.03	0.03	-	-	-	0.03	0.03	-	-	-	-	-
ii	Office Equipment	0.08	0.08	0.09	0.20	0.20	0.08	0.08	0.09	0.19	0.19	-	-	-	0.01	0.01
iii	Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv	Library Books	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
v	Miscellaneous Assets	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-	-	-	-	-
	Total C	**0.09**	**0.09**	**0.10**	**0.24**	**0.24**	**0.09**	**0.09**	**0.10**	**0.23**	**0.23**	**0.00**	**0.00**	**0.00**	**0.01**	**0.01**
	Total (A + B) - C	**170.41**	**158.84**	**158.30**	**159.79**	**158.78**	**95.72**	**90.74**	**87.24**	**88.42**	**84.57**	**74.69**	**68.10**	**71.06**	**71.38**	**74.21**
D	Capital Work-In-Progress	**24.94**	**26.68**	**17.65**	**13.87**	**11.81**	-	-	-	-	-	**24.94**	**26.68**	**17.65**	**13.87**	**11.81**
E		**195.35**	**185.52**	**175.95**	**173.66**	**170.59**	**95.72**	**90.74**	**87.24**	**88.42**	**84.57**	**99.63**	**94.78**	**88.71**	**85.25**	**86.02**

(For 2014-15)

* Includes land of ₹ 0.33 crore on perpetual lease (Previous year ₹ 0.33 crore) hence no depreciation has been provided.

The lease (sub-lease) / conveyance deeds in respect of certain properties (Land, Building and Flat) of the value of ₹ 38.77 crore (previous year ₹ 38.77 crore) are yet to be executed.

** Adjustment of Carrying value of ₹ 0.66 crore in respect of assets whose useful life has expired in complying with the transitional provision specified in Schedule II of Companies Act, 2013.

NOTE 13: NON CURRENT INVESTMENTS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Equity Shares (Long Term) (Trade Investment)**	36.67	34.87	14.97	4.97	4.97
	Less : Provision (Refer S. No. 25 (3) of Note No. 26)	3.00	3.00	3.00	3.00	3.00
		33.67	31.87	11.97	1.97	1.97
B	**Equity Shares (Long Term) - Joint Venture**	2.40	2.40	2.40	2.40	2.40
	Less : Provision (Refer S. No. 25 (3) of Note No. 26)	0.39	0.39	0.39	0.39	0.39
		2.01	2.01	2.01	2.01	2.01
C	**Infrastructure Debt Fund (Long Term)**	50.00	50.00	0.00	0.00	0.00
D	**Bonds**	270.00	670.00	670.00	810.00	1,220.00
	Total (A+B+C)	**355.68**	**753.88**	**683.98**	**813.98**	**1,223.98**

Additional disclosures required in respect of the investments

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
I	**Aggregate of quoted investments:**					
(i)	Cost	52.60	52.60	2.60	2.60	2.60
(ii)	Market Value *	57.31	52.13	1.86	2.99	4.78
II	**Aggregate of unquoted investments:**					
(i)	Cost	306.47	704.67	684.77	814.77	1,224.77

(1) Equity Shares (Long Term) (Trade Investment)

S.No	PARTICULARS	Number	Face Value (₹)	As at 31.03.2015 (₹ in crore)	As at 31.03.2014 (₹ in crore)	As at 31.03.2013 (₹ in crore)	As at 31.03.2012 (₹ in crore)	As at 31.03.2011 (₹ in crore)
A	**Quoted Investments**							
(1)	**Equity Shares**							
(i)	Indbank Housing Limited	25,00,000	10	2.50	2.50	2.50	2.50	2.50
(ii)	Sri KPR Industries Limited	1,00,000	10	0.10	0.10	0.10	0.10	0.10
	Sub-Total A(1)			2.60	2.60	2.60	2.60	2.60
(2)	**Infrastructure Debt Fund**							
(i)	IIFCL Assets Management Company Limited (IAMCL)**	500.00	10,00,000	50.00	50.00	0.00	0.00	0.00
	Sub-Total A(2)			50.00	50.00	0.00	0.00	0.00
	Total Quoted Investments A (1 + 2)			52.60	52.60	2.60	2.60	2.60
B	**Unquoted Investments**							
(1)	**Equity Share**							
(i)	TN Urban Finance Infrastructure Dev. Corporation. Ltd.	20,000	100	0.20	0.20	0.20	0.20	0.20
(ii)	Cent Bank Home Finance Ltd.	1,70,000	100	1.70	1.70	1.70	1.70	1.70
(iii)	Intra Consolid(India) Limited	1,00,000	10	0.10	0.10	0.10	0.10	0.10
(iv)	Nagarjuna Ceramics Ltd. ***	1,00,000	10	0.10	0.10	0.10	0.10	0.10
(v)	Marnite Polycast Ltd.	1,00,000	10	0.10	0.10	0.10	0.10	0.10
(vi)	Periwal Bricks Ltd.	1,00,000	10	0.10	0.10	0.10	0.10	0.10
(vii)	Trans Fibre Pipes (I) Ltd.	71,900	10	0.07	0.07	0.07	0.07	0.07
(viii)	Cochin International Airport Ltd.	100,00,000	10	10.00	10.00	10.00	0.00	0.00
(ix)	Delhi Mumbai Industrial Corridor Development Corpn. Ltd	199,00,000	10	19.90	19.90	0.00	0.00	0.00
(ix)	Sewa Grih Rin Ltd.	18,00,000	10	1.80	-	-	-	-
	Sub-Total B (1)			34.07	32.27	12.37	2.37	2.37
(2)	**Equity Share - Joint Venture**							
(i)	Pragati Social Infrastructure Development Ltd.	1,30,000	10	0.13	0.13	0.13	0.13	0.13
(ii)	MCM Infrastructure Pvt. Ltd.	2,60,000	10	0.26	0.26	0.26	0.26	0.26
(iii)	Shristi Urban Infrastructure Development Ltd.	20,00,000	10	2.00	2.00	2.00	2.00	2.00
(iv)	Signa Infrastructure India Ltd.	13,000	10	0.01	0.01	0.01	0.01	0.01
	[Refer S.No. 27 (c) & 28 of Note 26 - Explanatory Notes]							
	Sub-Total B (2)			2.40	2.40	2.40	2.40	2.40
(3)	**Bonds**							
(i)	11.50% Gujarat Electricity Board ****	10,000	1,00,000	0.00	0.00	0.00	0.00	100.00
(ii)	8.00% West Bengal Inf. Dev. Finance Corp. Ltd.****	2,000	10,00,000	0.00	200.00	200.00	200.00	200.00
(iii)	11.85% West Bengal Inf. Dev. Finance Corp. Ltd.****	2,500	10,00,000	0.00	0.00	0.00	0.00	250.00
(iv)	11.30% H P Inf. Dev. Board ****	14,000	1,00,000	0.00	0.00	0.00	140.00	200.00
(v)	8.15% A P Power Finance Corporation Ltd. ****	2,700	10,00,000	270.00	270.00	270.00	270.00	270.00
(vi)	8.00% Maharashtra Jeewan Pradhikaran ****	2,000	10,00,000	0.00	200.00	200.00	200.00	200.00
	Sub-Total B (3)			270.00	670.00	670.00	810.00	1,220.00
	Total Unquoted Investments B (1 + 2 + 3)			306.47	704.67	684.77	814.77	1,224.77
	Total (A + B)			359.07	757.27	687.37	817.37	1,227.37

* Market value of shares of Indbank Housing Ltd. @ ₹ 6.05 per share amounting to ₹ 1.51 crore (previous year @ ₹ 5.99 per share amounting to ₹ 1.50 crore), shares of Sri KPR Industries @ ₹ 16.75 per share amounting to ₹ 0.17 crore (previous year @ ₹ 18.55 per share amounting to ₹ 0.18 crore) and NAV Value of Units of IIFCL Assets Management Company Limited is @ ₹ 1112687.4953 per Unit amounting to ₹ 55.63 crore (previous year @ ₹ 1008996.0328 per unit amounting to ₹ 50.45 crore).

** IIFCL Mutual Fund Infrastructure Debt Fund Series – I of IAMCL is 10 year close ended scheme launched in 2013-14.

*** Share Certificates sent for correction but not received back.

**** Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29B of National Housing Bank Act, 1987.

NOTE 14: LONG TERM LOANS AND ADVANCES

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Loans**					
i	Opening Balance	24,232.77	21,239.51	19,329.59	16,537.05	15,000.90
ii	Add : Advanced during the year	7,351.05	6,937.15	5,673.82	6,341.17	4,842.49
iii	Less : Repayment received during the year	4,123.96	3,943.89	3,763.90	3,548.63	3,306.34
	Sub Total (i+ii-iii)	27,459.86	24,232.77	21,239.51	19,329.59	16,537.05
iv	Less : Provision on Loans (Refer S.No. 3 (b) & 25 of Note 26 - Explanatory Notes)	344.56	260.50	152.01	270.13	209.89
	Sub Total A (i+ii-iii-iv)	**27,115.30**	**23,972.27**	**21,087.50**	**19,059.46**	**16,327.16**
B	**Staff Loans ***					
i	Staff Loans - Principal	36.41	36.58	35.79	35.56	27.50
ii	Loans to Directors- Principal	0.01	0.02	0.00	0.00	0.00
iii	Add : Interest accrued on Staff Loan	14.62	13.80	12.23	11.50	10.62
iv	Add : Interest accrued on Loans to Directors	0.01	0.01	0.00	0.00	0.00
	Sub Total B (i+ii+iii+iv)	51.05	50.41	48.02	47.06	38.12
	* Includes secured by way of mortgage of ₹ 41.89 crore (Previous Year ₹ 38.12 crore).					
C	**Loan (Secured against Hudco Public Deposit)**					
	Loan (Secured against Hudco Public Deposit) - Principal	1.36	0.00	0.20	0.03	0.03
	Add : Interest accrued on above	0.06	0.00	0.00	0.00	0.00
	Sub Total C	1.42	0.00	0.20	0.03	0.03
D	**Advances**					
i	Advance against capital purchases	3.90	9.10	5.87	4.90	1.21
ii	Deposit for Services	0.30	0.19	0.19	0.19	0.22
iii	Prepaid Expenses	1.96	1.99	0.00	0.00	0.00
	Sub Total D	6.16	11.28	6.06	5.09	1.43
	Sub Total (B+C+D)	**58.63**	**61.69**	**54.28**	**52.18**	**39.58**
	Total (A+B+C+D)	**27,173.93**	**24,033.96**	**21,141.78**	**19,111.64**	**16,366.74**

Details of Loans (₹ in crore)

S.No.	PARTICULARS	As at 31st March,2015	As at 31st March, 2014
	LOANS		
I	**Secured Loans**		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	9,077.09	10,346.29
(ii)	Classified Doubtful	886.36	869.51
	Sub Total I - a (i+ii)	9,963.45	11,215.80
II	**Unsecured Loans**		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	17,116.34	12,609.02
(ii)	Classified Doubtful	13.83	37.25
	Sub Total II - a (i+ii)	17,130.17	12,646.27
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	366.24	370.44
(ii)	Classified Doubtful	0.00	0.26
	Sub Total II - b (i+ii)	366.24	370.70
	Sub Total II (a+b)	17,496.41	13,016.97
	Total (I+II)	27,459.86	24,232.77

NOTE 14 (A): OTHER NON CURRENT ASSETS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	Work-in-Progress - BSUP Project	-	-	-	-	6.40
	Total	**-**	**-**	**-**	**-**	**6.40**

NOTE 15: CURRENT INVESTMENTS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Bonds**	400.00	-	-	410.00	75.00
		400.00	**-**	**-**	**410.00**	**75.00**

Additional disclosures required in respect of the investments

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
I	**Aggregate of quoted investments:**					
i	Cost	-	-	-	-	-
ii	Market Value	-	-	-	-	-
II	**Aggregate of unquoted investments:**					
i	Cost	400.00	-	-	410.00	75.00

S.No	PARTICULARS	Number	Face Value (₹)	As at 31.03.2015 (₹ in crore)	As at 31.03.2014 (₹ in crore)	As at 31.03.2013 (₹ in crore)	As at 31.03.2012 (₹ in crore)	As at 31.03.2011 (₹ in crore)
	Bonds							
i	11.50% Gujarat Electricity Board *	10,000	1,00,000	-	-	-	100.00	75.00
ii	8.00% West Bengal Inf. Dev. Finance Corp. Ltd. *	2,000	10,00,000	200.00	-	-	-	-
iii	8.00% Maharashtra Jeewan Pradhikaran *	2,000	10,00,000	200.00	-	-	-	-
iv	11.85% West Bengal Inf. Dev. Finance Corp. Ltd. *	25,000	1,00,000	-	-	-	250.00	-
v	11.30% HP Infrastructure Dev. Board *	6,000	1,00,000	-	-	-	60.00	-
				400.00	-	-	410.00	75.00

(For 2014-15)

* Floating charge has been created on Statutory Liquid Assets by way of trust deed with M/s IL & FS Trust Company Ltd. in terms of Sub-section (1) & (2) of Section 29B of National Housing Bank Act, 1987.

Foot Note:

Bonds of Karnataka Renewable Energy Development Ltd. against a face value of ₹ 135.80 crore were fully redeemed on 31.12.2009. However, J & K Bank Depository Services who are still showing a balance of ₹ 135.80 crore, since the investee has not intimated the same to the Depository Services.

NOTE 16: CURRENT ASSETS -TRADE RECEIVABLES

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Unsecured**					
I	**Outstanding for a period exceeding six months from the due date**					
(i)	Considered good	8.39	7.71	4.42	3.74	13.13
(ii)	Considered doubtful	14.35	12.09	10.78	8.50	1.85
	Sub Total (i+ii)	22.74	19.80	15.20	12.24	14.98
(iii)	Less: Provision for doubtful debts (Refer S.No 20 of Note No 26 - Explanatory Notes)	14.35	12.09	10.78	8.50	1.85
	Sub Total (i+ii-iii)	8.39	7.71	4.42	3.74	13.13
II	**Other**					
(i)	Considered good	1.66	2.36	6.18	8.78	3.44
	Total (I+II)	10.05	**10.07**	**10.60**	**12.52**	**16.57**

Footnote:

S.No	PARTICULARS	As at 31.03.2015 (₹ in crore)	As at 31.03.2014 (₹ in crore)	As at 31.03.2013 (₹ in crore)	As at 31.03.2012 (₹ in crore)	As at 31.03.2011 (₹ in crore)
14.1	Secured, considered good	-	-	-	-	-
	Unsecured, considered good	10.05	10.07	10.60	12.52	16.57
	Doubtful	-	-	-	-	-
14.2	**Trade Receivable stated above include debts due by**					
	Director	Nil	Nil	Nil	Nil	Nil
	Other Officers of the Company	Nil	Nil	Nil	Nil	Nil
	Firm in which Director is a partner	Nil	Nil	Nil	Nil	Nil
	Private Company in which director is a member	Nil	Nil	Nil	Nil	Nil

NOTE 17: CASH AND BANK BALANCES

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Cash and Cash Equivalents**					
(i)	Balance with Banks *	80.39	71.73	436.32	91.63	186.51
(ii)	Cash and Revenue Stamps in hand	0.01	0.01	-	-	0.03
(iii)	Demand draft in hand	-	-	-	5.94	-
(iv)	Stamps in Hand (incl.Franking Machine balance)	0.01	-	-	-	-
(v)	Remittance in transit(Inter Office)	0.77	-	3.53	4.54	0.11
B	**Others Bank Balances**					
(i)	Bank Deposits (More than 12 months)	-	-	-	-	-
(ii)	Bank Deposits (More than 3 months & upto12 months) *	40.38	27.32	86.92	2,504.82	369.64
(iii)	Bank Deposits **	163.36	172.83	170.00	171.91	159.91
	Total	**284.92**	**271.89**	**696.77**	**2,778.84**	**716.20**

For 2014-15

*	**Balances with Scheduled Banks includes: Earmarked balances with Bank**		
(i)	Human Settlement Management Institute (HSMI)	=	₹ 0.01 crore (previous year ₹ 2.93 crore)
(ii)	Rajiv Rinn Yojana	=	₹ 27.51 crore (previous year ₹ 25.00 crore)
(iii)	No-Lien account of Andrews Ganj Project	=	₹ 0.08 crore (previous year ₹ 0.08 crore)
(iv)	Heritage Project - Retail Finance	=	₹ 1.40 crore (previous year ₹ 1.27 crore)
(v)	Interest Subsidy for Housing Urban Poor (ISHUP)	=	₹ 0.12 crore (previous year ₹ 0.10 crore)
(vi)	City Specific Capacity Building	=	₹ 0.98 crore (previous year ₹ 0.90 crore)
(vii)	Ascot Hotel & Resorts Pvt. Ltd.	=	₹ 10.31 crore (previous year ₹ Nil)
(viii)	Unclaimed Bonds	=	₹ 1.44 crore (previous year ₹ 0.66 crore)
**	Under lien with Bank of India, Cayman Islands branch, USA.	=	₹ 163.36 crore (previous year ₹ 172.83 crore)

NOTE 18: SHORT TERM LOANS AND ADVANCES

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Loans**					
i	Opening Balance	5,113.66	4,701.64	4,458.10	4,668.70	5,288.62
ii	Add : Advanced during the year	621.99	496.29	409.81	564.57	262.06
iii	Less : Repayment received during the year	730.65	84.27	166.27	775.17	881.98
	Sub Total (i+ii-iii)	**5,005.00**	**5,113.66**	**4,701.64**	**4,458.10**	4,668.70
iv	Less : KFW Release	0.00	4.61	**4.63**	4.64	7.92
	Sub Total (i+ii-iii-iv)	**5,005.00**	**5,109.05**	**4,697.01**	**4,453.46**	**4,660.78**
v	Less : Excess amount (Pending adjustment)	0.72	0.10	**0.30**	0.30	0.19
	Sub Total (i+ii-iii-iv-v)	**5,004.28**	**5,108.95**	**4,696.71**	**4,453.16**	**4,660.59**
vi	Less : Provision on Loans (Refer S.No. 3 (b) & 25 of Note 26 - Explanatory Notes)	1,223.14	1,047.06	**1,151.30**	901.81	977.80
	Sub Total (i+ii-iii-iv-v-vi)	**3,781.14**	**4,061.89**	**3,545.41**	**3,551.35**	3,682.79
vii	Add : Interest accrued and due on above	79.54	107.03	**63.74**	5.85	46.92
	Sub Total A (i+ii-iii-iv-v-vi+vii)	**3,860.68**	**4,168.92**	**3,609.15**	**3,557.20**	**3,729.71**
B	**Staff Loans ***					
(i)	Staff Loans - Principal	8.08	8.88	10.36	7.47	8.82
(ii)	Loans to Directors- Principal	0.06	0.01	0.00	0.00	0.00
(iii)	Add : Interest accrued on Staff Loan	0.42	0.29	1.04	0.84	1.24
(iv)	Add : Interest accrued on Loans to Directors	0.00	0.00	0.00	0.00	0.00
	Sub Total [i+ii+iii+iv]	8.56	9.18	11.40	8.31	10.06
(v)	Less : Provision on Staff Loans (Refer S.No. 20 of Note 26 - Explanatory Notes)	0.09	0.09	0.09	0.09	0.09
	Sub Total B [i+ii+iii+iv-v]	**8.47**	**9.09**	**11.31**	**8.22**	**9.97**
	* Includes secured by way of mortgage of ₹ 6.23 crore (Previous Year ₹ 6.31 crore).					
C	**Loan (Secured against Hudco Public Deposit)**					
C(i)	Loan (Secured against Hudco Public Deposit) - Principal	0.00	0.55	-	0.02	0.58
C(ii)	Add : Interest accrued on above	0.00	0.06	-	-	0.01
	Sub Total C [C(i)+C(ii)]	**0.00**	**0.61**	**0.00**	**0.02**	**0.59**
	Total	**3,869.15**	**4,178.62**	**3,620.46**	**3,565.44**	**3,740.27**

Details of Loans

(₹ in crore)

S.No.	PARTICULARS	As at 31st March,2015	As at 31st March, 2014
	LOANS		
I	**Secured Loans**		
(a)	Loans (secured by Hypothecation and/ or Mortgage of materials and Tangible Assets)		
(i)	Considered Good	1,397.68	2,206.08
(ii)	Classified Doubtful	916.65	790.37
	Sub Total I - a (i+ii)	2,314.33	2,996.45
II	**Unsecured Loans**		
(a)	Loans (secured by Government Guarantee)		
(i)	Considered Good	2,398.99	1,739.90
(ii)	Classified Doubtful	225.67	301.76
	Sub Total II - a (i+ii)	2,624.66	2,041.66
(b)	Loans- Others (secured by Negative Lien, Bank Guarantee, others)		
(i)	Considered Good	38.93	39.89
(ii)	Classified Doubtful	27.08	31.05
	Sub Total II - b (i+ii)	66.01	70.94
	Sub Total II (a+b)	2,690.67	2,112.60
	Total (I+II)	5,005.00	5,109.05

NOTE 19: OTHER CURRENT ASSETS

(₹ in crore)

S.No	PARTICULARS	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
A	**Advances**					
i	Deposit for Services	3.03	9.02	6.01	3.01	0.00
ii	Prepaid Expenses	0.82	0.79	0.62	0.48	0.46
iii	Loans and Advances to related party	-	-	-	-	-
iv	Other loans and Advances					
v	Advances for works *	14.37	14.32	14.40	14.61	14.85
vi	Amount Recoverable from Ministry (Andrews Ganj Project) (Refer S.No. 2 (b) of Note 26 - Explanatory Notes)	222.68	200.60	165.01	138.36	-
vii	Advances to Employees	0.15	0.21	0.18	0.25	0.18
viii	Advance Income Tax (Including TDS)	-	-	-	-	226.88
ix	Less : Provision for Income Tax	-	-	-	-	224.00
		-	-	-	-	2.88
x	Income Tax Payments subject to litigation	317.11	314.32	238.79	238.79	223.09
xi	Interest Tax Payments subject to litigation	6.59	6.59	6.59	6.59	6.59
xii	Service Tax Payments subject to litigation	2.64	2.50	2.49	2.49	0.25
xiii	Others (Net after Provision) ** (Refer S. no. 20 of Note 26 - Explanatory Notes)	55.54	40.77	37.80	34.97	33.57
	Sub Total (A)	622.93	589.12	471.89	439.55	281.87
	* Includes ₹ 14.21 crore (Previous year ₹ 14.21 crore) on account of Andrews Ganj Project. (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).					
	** Includes ₹ 37.46 crore (Previous year ₹ 37.46 crore) on account of Andrews Ganj Project (Refer S.No. 2 (b) of Note 26 - Explanatory Notes).					
B	**Interest accrued but not due on :**					
i	Bonds	37.17	37.17	37.17	46.57	49.60
ii	Fixed Deposit with Scheduled Bank -- Indian Branches	0.16	0.14	0.65	26.08	3.67
iii	Deposit with Scheduled Bank -- Foreign Branches	0.39	0.42	0.49	0.64	0.44
iv	Loans	228.25	212.74	166.56	174.70	143.26
	Sub Total B (i+ii+iii+iv)	**265.97**	**250.47**	**204.87**	**247.99**	**196.97**
C	**Work-in-Progress**					
i	Andrews Ganj Project (Refer S.No 2 of Note No 26 - Explanatory Notes)	19.34	19.34	19.34	26.91	26.91
ii	BSUP Project	11.77	11.40	10.75	8.93	-
	Sub Total(i+ii)	31.11	30.74	30.09	35.84	26.91
iii	Less : Work Completed (AGP)	0.00	0.00	0.00	7.57	-
	Sub Total(i+ii-iii)	31.11	30.74	30.09	28.27	26.91
	Closing work in progress **Sub Total C**	**31.11**	**30.74**	**30.09**	**28.27**	**26.91**
D	**(i) Work Completed**	-	-	-	-	14.41
	(ii) Less : Adjustment during the year	-	-	-	-	14.41
	Sub Total D (i-ii)	**-**	**-**	**-**	**-**	**-**
E	**Others**					
i	Amount receivable from Government of India under Jabalpur Earthquake Scheme	0.00	4.98	5.00	5.00	5.00
ii	Less: Provision (Refer S.No. 20 of Note 26 - Explanatory Notes)	0.00	4.98	5.00	5.00	5.00
	Sub Total E (i-ii)	-	-	-	-	-
	Total (A+B+C+D+E)	**920.01**	**870.33**	**706.85**	**715.81**	**505.75**

NOTE 20: REVENUE FROM OPERATIONS

(₹ in crore)

S.No	PARTICULARS	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2011
A	**Interest Income**					
i	Interest on Loans	3,351.74	2,842.49	2,698.36	2,562.17	2,114.07
ii	Less: Penal Interest waived off	95.91	20.35	25.49	87.41	79.86
	Sub Total (i-ii)	3,255.83	2,822.14	2,672.87	2,474.76	2,034.21
iii	Interest on Bonds	54.01	54.01	107.32	123.33	137.01
iv	Interest on Loan against Public Deposits	0.07	0.05	0.02	0.01	0.06
v	Interest on Fixed Deposits					
vi	Scheduled Bank - Indian Branches	0.56	40.40	46.91	99.85	39.26
vii	Scheduled Bank - Foreign Branches	1.38	1.63	2.07	1.78	1.81
	Sub Total (vi+vii)	1.94	42.03	48.98	101.63	41.07
B	**Other Operations Income**					
i	Other Income on Loans	26.91	20.66	26.08	21.77	38.58
	Sub Total (i)	26.91	20.66	26.08	21.77	38.58
C	**Other Financial Service**					
i	Consultancy, Trusteeship and Consortium	7.79	6.14	9.28	15.27	11.23
	Total (A+B+C)	**3,346.55**	**2,945.03**	**2,864.55**	**2,736.77**	**2,262.16**

NOTE 21: OTHER INCOME

(₹ in crore)

S.No	PARTICULARS	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2011
A	**Dividend Income**					
(i)	Dividend on long term equity shares	2.07	1.98	0.27	0.27	0.21
B	**Net gain / loss on sale of investments**					
(i)	Profit on sale of fixed assets (Net)	-	0.03	0.02	0.03	0.01
C	**Other**					
(i)	Translation/Exchange gain on Foreign Currency Loan	13.13	-	15.20	-	-
(ii)	Interest on Staff Advances	1.82	1.88	1.80	1.59	1.30
(iii)	Rental Income	24.01	18.05	16.12	13.46	11.41
(iv)	Interest on Income tax Refund	10.02	0.54	0.25	3.92	-
(v)	Excess Provision of Interest on Short Income Tax written back	0.13	0.49	0.00	0.00	0.00
(vi)	Overhead Charges on Construction Project	0.03	0.23	0.13	2.23	0.23
(vii)	Interest on Construction Project (Refer S.No 2 (b) of Note No 26 - Explanatory Notes)	22.99	22.53	20.57	15.02	-
(viii)	Management Development Programme	0.30	0.89	1.49	1.59	0.88
(ix)	Miscellaneous Income	6.72	2.20	2.84	3.75	2.39
	Total (A+B+C)	**81.22**	**48.82**	**58.69**	**41.86**	**16.43**

NOTE 22: FINANCE COST

(₹ in crore)

S.No	PARTICULARS	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2011
(A)	**INTEREST EXPENDITURE**					
(i)	Interest on secured loans	1,193.79	829.89	523.33	31.75	20.10
(ii)	**Interest on unsecured loans**					
	(a) Indian Currency	532.47	788.00	986.00	1,484.68	1,191.61
	(b) Foreign Currency					
	- Unswapped	4.32	5.19	6.22	6.63	4.64
	- Swapped	28.05	31.65	29.06	30.33	39.08
(iii)	Other Interest	-	-	-	0.03	-
(iv)	Interest on Income tax	5.40	2.50	1.50	3.00	0.21
	Sub-Total (A)	**1,764.03**	**1,657.23**	**1,546.11**	**1,556.42**	**1,255.64**
(B)	**OTHER BORROWING COST**					
(i)	Government Guarantee Fee	3.66	3.88	4.35	4.24	4.36
(ii)	Premium on Forward Sale Contract	-	-	-	-	0.16
(iii)	Miscellaneous expenditure Written Off	-	-	-	-	-
(iv)	Other Expenses on loans	7.69	35.42	17.46	28.14	3.50
	Sub-Total (B)	**11.35**	**39.30**	**21.81**	**32.38**	**8.02**
(C)	**Net loss in Foreign currency Translation and Transaction**	-	5.18	0.00	40.28	9.61
	Sub-Total (C)	**-**	**5.18**	**0.00**	**40.28**	**9.61**
	Total (A) + (B) + (C)	**1,775.38**	**1,701.71**	**1,567.92**	**1,629.08**	**1,273.27**

NOTE 23: EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

		Year Ended 31st March, 2015		Year Ended 31st March, 2014		Year Ended 31st March, 2013		Year Ended 31st March, 2012		Year Ended 31st March, 2011	
S.No	PARTICULARS	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total
A	Salaries, Allowances & Other Amenities **	0.98	122.24	0.63	98.96	0.18	117.04	0.33	106.55	0.39	89.80
B	Group Saving Linked Insurance Premium	-	0.02	-	0.03	-	0.03	-	0.02	-	0.02
C	Gratuity **	-	1.55	-	1.37	-	1.28	-	2.16	-	4.46
D	Insurance **	-	0.09	-	0.09	-	0.09	-	0.08	-	0.05
E	Welfare	-	1.76	-	1.34	-	1.63	-	0.96	-	0.70
F	Staff Development/Training	-	0.09	0.03	0.32	0.03	0.71	-	0.21	-	0.12
G	Provident Fund / Pension Fund	0.07	7.08	0.03	2.55	-	1.39	0.01	0.41	0.02	19.11
H	Administrative Charges-Provident Fund	-	0.11	-	0.11	-	0.09	-	0.09	-	0.08
I	HUDCO Pension Fund	-	28.36	-	-	-	-	-	-	-	-
J	Contribution to Benevolent Fund	-	0.07	-	0.07	-	0.04	-	0.04	-	0.11
	Total(A+B+C+D+E+F+G+H+I+J)	**1.05**	**161.37**	**0.69**	**104.84**	**0.21**	**122.30**	**0.34**	**110.52**	**0.41**	**114.45**

* Included in total.

** Includes provision / payment for Directors.

NOTE 24: OTHER EXPENSES

(₹ in crore)

		Year Ended 31st March, 2015		Year Ended 31st March, 2014		Year Ended 31st March, 2013		Year Ended 31st March, 2012		Year Ended 31st March, 2011	
S.No	PARTICULARS	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total	Directors *	Total
A	**ADMINISTRATIVE**										
i	Office Rent $	-	0.81	-	0.63	-	0.51	-	0.53	-	0.70
ii	Repairs & Maintenance to Building	-	5.50	-	6.64	-	6.19	-	4.37	-	3.82
iii	Repairs & Maintenance to Other Assets	-	2.57	-	1.84	-	1.52	-	1.81	-	1.63
iv	Repairs & Maintenance to Vehicle	-	0.40	-	0.43	-	0.45	-	0.37	-	0.31
v	Loss on sale of Fixed Assets (Net)	-	0.01	-	-						
vi	Insurance	-	0.13	-	0.12	-	0.12	-	0.16	-	0.07
vii	Rates & Taxes	-	2.95	-	4.77	-	3.34	-	1.86	-	1.84
viii	Travelling	0.38	3.76	0.34	4.94	0.23	5.32	0.40	4.43	0.26	2.62
ix	Legal & Professional Fees	-	2.58	-	3.41	-	2.96	-	2.65	-	2.14
x	Auditors Remuneration :										
	a) Audit Fees										
	(i) Current Year	-	0.10	-	0.10	-	0.10	-	0.07	-	0.07
	(ii) Previous Year	-	-	-	-	-	-	-	-	-	0.02
	b) Tax Audit Fees										
	(i) Current Year	-	0.05	-	0.05	-	0.05	-	0.03	-	0.03
	(ii) Previous Year	-	-	-	-	-	-	-	-	-	0.01
	c) Other Services	-	0.12	-	0.22	-	0.12	-	0.18	-	0.10
	d) Reimbursement of expenses	-	0.02	-	0.01	-	0.06	-	0.01	-	0.01
xi	Electricity	-	2.02	-	2.05	-	2.03	-	1.59	-	1.59
xii	Printing, Stationery & Photocopying	-	0.92	-	0.87	-	0.71	-	0.56	-	0.45
xiii	Postage, Telegram, Telephone & Telex	-	1.48	-	1.33	-	1.09	-	1.07	-	1.07
xiv	Advertisement, Publicity & Sponsorship	-	2.63	-	4.67	-	2.27	-	1.49	-	0.36
xv	Exhibition & Conference (Net)	-	0.28	-	0.30	-	0.32	-	0.36	-	0.03
xvi	Subscription & Membership	-	0.29	-	0.24	-	0.18	-	0.18	-	0.19
xvii	Donation	-	-	-	-	-	-	-	0.01	-	-
xviii	Miscellaneous #	0.06	8.34	0.08	9.55	0.07	8.08	0.12	5.26	0.05	5.86
	Total A	**0.44**	**34.96**	**0.42**	**42.17**	**0.30**	**35.42**	**0.52**	**26.99**	0.31	22.92
B	**OTHERS**										
i	Grant in Aid/ R & D expenditure	-	0.10	-	0.10	-	-	-	0.96	-	0.20
ii	Expenses on Consultancy	-	0.32	-	0.44	-	0.34	-	0.53	-	0.47
iii	Expenses on Management Development Programme	-	0.66	-	1.11	-	1.61	-	1.24	-	0.81
iv	Expenses on Research Studies	-	-	-	-	-	-	-	0.05	-	0.01
v	Research & Development	-	2.15	-	3.50	-	3.15	-	-	-	-
	Total B	**0.00**	**3.23**	**0.00**	**5.15**	**0.00**	**5.10**	-	**2.78**	-	1.49
	Total (A+B)	**0.44**	**38.19**	**0.42**	**47.32**	**0.30**	**40.52**	**0.52**	**29.77**	**0.31**	**24.41**

For 2014-15

$ Refer S.No. 22 of Note 26 - Explanatory Notes.

* Included in total.

Includes ₹ 0.04 crore (Previous year ₹ 0.07 crore) on account of Sitting fee paid to Directors.

NOTE 25: PRIOR PERIOD ADJUSTMENTS

(₹ in crore)

S.No	PARTICULARS	Year Ended 31st March, 2015	Year Ended 31st March, 2014	Year Ended 31st March, 2013	Year Ended 31st March, 2012	Year Ended 31st March, 2011
A	**INCOME**					
i	Salary Allowances & Other benefits	0.06	-	0.02	0.01	-
ii	Interest on Deposits	5.64	-	-	-	-
iii	Interest on loan	1.69	-	-	-	-
iv	Depreciation	0.10	0.01	-	-	-
v	Grant in aid	-	-	-	0.07	-
vi	Advertisement	-	-	-	0.01	-
vii	Water & Electricity	-	-	0.01		
viii	Printing	-	-	-	-	0.03
ix	Interest on Bonds & Other Borrowings	0.06	0.89	-	0.01	0.26
x	Corporate Social Responsibility	-	-	19.87	-	-
xi	Miscellaneous receipts	3.00	0.01	0.01	0.02	-
	Total A	**10.55**	**0.91**	**19.91**	**0.12**	**0.29**
B	**EXPENDITURE**					
i	Salary Allowances & Other benefits	0.06	0.01	-	-	-
ii	Repairs and Manintenance	0.01	0.02	0.11	-	-
iii	Insurance	-	-	0.01	0.01	-
iv	Management Consultancy	-	-	0.06	-	-
v	Membership	-	-	-	0.01	-
vi	Publicity	-	-	-	0.02	-
vii	Interest on loan	-	1.87	-	-	-
viii	Depreciation	0.01	-	-	-	-
ix	Interest on Investment	-	0.04	-	-	-
x	Corporate Social Responsibility	-	20.29	-	-	-
xi	Other Expenses	0.05	0.30	0.02	0.01	-
	Total B	**0.13**	**22.53**	**0.20**	**0.05**	-
	Excess of Income over Expenditure / (Expenditure over Income)	**10.42**	**-21.62**	**19.71**	**0.07**	**0.29**

CASH FLOW STATEMENT

Annexure - III

(₹ in crore)

S.No	Particulars	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
(i)	NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1170.52	1115.97	1042.00	939.90	820.82
	Add/ (Less): Adjustments for:					
(ii)	Depreciation	5.28	4.32	4.96	4.60	11.42
(iii)	Provision on loans & advances	(2.55)	1.33	2.07	6.64	1.43
(iv)	Provision for leave encashment	5.28	(10.57)	5.25	1.68	5.47
(v)	Provision for post retirement medical benefit	21.35	6.90	17.58	8.67	8.72
(vi)	Provision for Loans	101.28	167.85	68.00	352.18	(112.20)
(vii)	Provision for welfare expenditure	0.58	(0.03)	0.31	0.02	-
(viii)	Provision for LTC	(5.13)	(2.57)	(2.07)	2.28	(3.20)
(ix)	Provision for Provident Fund	0.00	(4.12)	(4.61)	(5.21)	13.94
(x)	Provision for Corporate Social Responsibilities (CSR)	(8.36)	18.30	-	19.87	-
(xi)	Additional Provision for Loans	170.00	(160.00)	65.00	(315.00)	140.00
(xii)	Provision for Wealth Tax	0.25	0.25	-	-	-
(xiii)	Provision for Interest under Income tax Act	5.40	2.50	-	-	-
(xiv)	Prior Period Adjustments (Net)	10.42	(21.62)	19.71	0.07	0.29
(xv)	Loss/ (Profit) on sale of Fixed Assets (Net)	0.01	(0.03)	(0.02)	(0.03)	(0.01)
(xvi)	Translation/exchange (Gain)/Loss on Foreign Currency Loan	(13.13)	5.18	(15.20)	40.28	9.61
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1461.20**	**1123.66**	**1202.98**	**1055.95**	**896.29**
	Adjustment for					
(i)	Decrease/(Increase) in Loans	(3094.93)	(3448.79)	(2211.36)	(2544.04)	(989.84)
(ii)	(Increase)/Decrease in Current Assets, other Loans & Advances *	(419.93)	(472.97)	(270.88)	(466.85)	(235.02)
(iii)	Increase/(Decrease) in Current Liabilities and Provisions	1496.68	(1224.75)	570.92	808.08	(298.99)
(iv)	CASH GENERATED FROM OPERATIONS	**(556.98)**	**(4022.85)**	**(708.34)**	**(1146.86)**	**(627.56)**
(v)	Direct taxes paid(Net of refunds)	373.52	359.66	278.50	250.34	211.58
(vi)	Securities Premium on Bonds	0.00	0.04	0.00	0.00	0.00
(vii)	KFW Reserve	1.15	0.00	0.01	0.31	1.72
	NET CASH FLOW FROM OPERATING ACTIVITIES	**(182.31)**	**(3663.15)**	**(429.83)**	**(896.21)**	**(414.26)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
(i)	Sale / (Purchase) of Investment	(1.80)	(69.90)	540.00	75.00	225.00
(ii)	Purchase of fixed assets	(10.83)	(10.45)	(8.48)	(3.88)	(19.00)
(iii)	Sale of Fixed assets	0.02	0.09	0.08	0.08	0.04
	NET CASH FLOW FROM INVESTING ACTIVITIES	**(12.61)**	**(80.26)**	**531.60**	**71.20**	**206.04**

CASH FLOW STATEMENT (Contd.)

S.No	Particulars	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011
C	**CASH FLOW FROM FINANCING ACTIVITIES**					
(i)	Proceed from borrowings (Net)	321.37	3,550.80	(2,019.21)	3003.52	248.58
(ii)	Corporate Dividend Tax Paid	(17.00)	(25.50)	(22.71)	(17.85)	(9.81)
(iii)	Dividend Paid	(100.01)	(150.00)	(140.01)	(110.02)	(59.08)
	NET CASH FLOW FROM FINANCING ACTIVITIES	**204.36**	**3375.30**	**(2181.93)**	**2875.65**	**179.69**
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**9.44**	**(368.11)**	**(2080.16)**	**2050.64**	**(28.53)**
	CASH & CASH EQUIVALENTS - OPENING BALANCE **	71.74	439.85	2,606.93	556.29	584.82
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	81.18	71.74	526.77	2606.93	556.29
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENTS	**9.44**	**(368.11)**	**(2080.16)**	**2050.64**	**(28.53)**

*	**Includes components of Bank Deposits: Earmarked balances with Bank**		(₹ in crore)
S.No	**Particulars**	**31st March,2015**	**31st March, 2014**
(i)	Rajiv Rinn Yojana	27.51	25.00
(ii)	Heritage Project - Retail Finance	1.38	1.27
(iii)	City Specific Capacity Building	0.98	0.90
(iv)	Ascot Hotel & Resorts Pvt. Ltd.	10.31	0.00
		40.18	**27.17**
(v)	Under lien with Bank of India, Cayman Islands branch, USA.	163.36	172.83

**	**Components of Cash & Cash Equivalents : Earmarked balances with Bank**		(₹ in crore)
S.No	**Particulars**	**31st March,2015**	**31st March, 2014**
(i)	Human Settlement Management Institute (HSMI)	0.01	2.93
(ii)	No-Lien account of Andrews Ganj Project	0.08	0.08
(iii)	Heritage Project - Retail Finance	0.02	0.00
(iv)	Interest Subsidy for Housing Urban Poor (ISHUP)	0.12	0.10
(v)	Unclaimed Bonds	1.44	0.66
		1.66	**0.84**

Note:

1 Cash Flow has been prepared using Indirect Method.

2 Previous year figures have been regrouped wherever necessary.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the provisions of the Companies Act, 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.

2. Revenue Recognition

(a) Income is recognised in accordance with Accounting Standard AS-9 on “Revenue Recognition” issued by the Institute of Chartered Accountants of India except income from Non-Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.

(b) The application fees, front-end-fees, administrative fees and processing fees on loans are recognized when the revenue can be reliably measured regardless of when payment is being made.

3. Borrowing Cost

The ancillary cost of raising the borrowings namely brokerage charges, arranger’s fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

4. Provision on Non-Performing Assets

a) Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

b) Additional provisions (over and above the NHB prudential norms) is made in order to establish a balance in the provision for loans that the Corporation’s management considers prudent and adequate keeping in view the unforeseen events and happenings such as change in policy of Government and procedural delays in repayments from agencies etc.

Note 1: (Contd.)

5. Grants and Subsidies

(a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.

(b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under “Current Liabilities” and is utilised as per the terms of the agreement with KfW.

6. Fixed Assets and Depreciation

(i) Tangible Assets

(a) 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.

(b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

(c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

(d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

Note 1: (Contd.)

(e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

(f) Depreciation is provided over the remaining useful life of the asset as per Schedule-II of Companies Act 2013 using Written Down Value (WDV) method, effective from 1st April 2014.

(g) On assets costing upto Rs.5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(h) Cost of Mobile phones reimbursed to employees upfront (90%) is directly charged to revenue in the year of purchase.

(ii) Intangible Assets

In accordance with Accounting Standard AS-26, Intangible Assets comprising of Computer Software are valued at cost less accumulated amortization. Computer software is amortised over a period of five years on a straight line basis.

7. Investments

(a) Long term 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” issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.

(b) Investment in Mutual Funds (Infrastructure Debt Fund) is valued at cost, less diminution, if any, other than temporary. However, diminution in value is reversed, when there is rise in the value or if the reason for the reduction no longer exists.

Note 1: (Contd.)

8. Foreign Exchange Transactions

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.

(c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Statement of Profit & Loss.

(d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

9. Employees Benefits

(a) Expenditure on corporation contributions to Provident Fund, Group Saving Linked Insurance Scheme, EPFO's Employees' Pension Scheme and HUDCO's Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

(b) The Corporation's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20 / 30 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

10. Taxation

(a) Tax expense comprises of current and deferred. Current income tax and Wealth tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act/ Wealth Tax Act.

(b) In respect of disputed income tax / interest tax / wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

Note 1: (Contd.)

(c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

11. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:

(a) the Company has a present obligation as a result of past event.

(b) a probable outflow of resources is expected to settle the obligation and

(c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

(iii) Contingent assets are neither recognised nor disclosed.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the provisions of the Companies Act, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 and the Housing Finance Companies (NHB) Directions, 2010 issued by National Housing Bank (NHB) as adopted consistently by the Company.

2. Revenue Recognition

(a) Income is recognised in accordance with Accounting Standard AS-9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of India except income from Non-Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.

(b) The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.

3. Borrowing Cost

The ancillary cost of raising the borrowings namely brokerage charges, arranger's fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

4. Provision on Non-Performing Assets

Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

5. Grants and Subsidies

(a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from

Note 1: (Contd.)

Government / Government Agencies is shown as a part of other Loans and Advances.

(b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under "Current Liabilities" and is utilised as per the terms of the agreement with KfW.

6. Fixed Assets and Depreciation

(i) Tangible Assets

(a) 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.

(b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

(c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

(d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

(e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

Note 1: (Contd.)

(f) Depreciation is provided on written down value method, in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, except:

(i) On assets costing upto Rs.5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(ii) Mobile phones purchased upto 31.3.2012 are depreciated @ of 45% p.a. on straight line method and after 2 years balance value of 10% is recovered as per the existing accounting policy. On mobile phones purchased from 1.4.2012 onwards, 90% of the cost which is reimbursed to employees upfront, shall be directly charged to revenue in the year of purchase. The modified policy is applicable on mobile phone purchased after 1.4.2012 onwards.

(ii) Intangible Assets

In accordance with Accounting Standard AS-26, “Intangible Assets” are valued at cost less accumulated amortization. Computer software is amortised over a period of five years.

7. Investments

Long term 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” issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.

8. Foreign Exchange Transactions

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.

(c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Statement of Profit & Loss.

Note 1: (Contd.)

(d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

9. Employees Benefits

(a) Expenditure on contributions to Provident Fund, Group Saving Linked Insurance Scheme and Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post-retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

(b) The Corporation's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20 / 30 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

10. Taxation

(a) Tax expense comprises of current and deferred. Current income tax and wealth tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act/ Wealth Tax Act.

(b) In respect of disputed income tax / interest tax / wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

(c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Note 1: (Contd.)

11. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if:

(a) the Company has a present obligation as a result of past event.

(b) a probable outflow of resources is expected to settle the obligation and

(c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

(iii) Contingent assets are neither recognised nor disclosed.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

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(b) The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.

3. Borrowing Cost

The ancillary cost of raising the borrowings namely brokerage charges, arranger's fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

4. Provision on Non Performing Assets

Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

5. Grants and Subsidies

(d) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.

Note 1: (Contd.)

(e) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under “Current Liabilities” and is utilised as per the terms of the agreement with KfW.

6. Fixed Assets and Depreciation

(i) Tangible Assets

(a) 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.

(b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

(c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

(f) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

(g) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

(f) Depreciation is provided on written down value method, in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, except:

(i) On assets costing upto Rs.5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

Note 1: (Contd.)

(iii) Mobile phones purchased upto 31.3.2012 are depreciated @ of 45% p.a. on straight line method and after 2 years balance value of 10% is recovered as per the existing accounting policy. On mobile phones purchased from 1.4.2012 onwards, 90% of the cost which is reimbursed to employees upfront, shall be directly charged to revenue in the year of purchase. The modified policy is applicable on mobile phone purchased after 1.4.2012 onwards.

(ii) Intangible Assets

In accordance with Accounting Standard AS-26, “Intangible Assets” are valued at cost less accumulated amortization. Computer software is amortised over a period of five years.

7. Investments

Long term 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” issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.

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(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

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Note 1: (Contd.)

9. Employees Benefits

(a) Expenditure on contributions to Provident Fund, Group Saving Linked Insurance Scheme and Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Statement of Profit & Loss. The Corporation's obligation towards gratuity, provident fund and post retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

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(a) Tax expense comprises of current and deferred. Current income tax and wealth tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act/ Wealth Tax Act.

(b) In respect of disputed income tax / interest tax / wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

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(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if :

(a) the Company has a present obligation as a result of past event.

(b) a probable outflow of resources is expected to settle the obligation and

(c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Note 1: (Contd.)

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

(iii) Contingent assets are neither recognised nor disclosed.

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the provisions of the Companies Act, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 and the Housing Finance Companies (NHB) Directions, 2001 issued by National Housing Bank (NHB) as adopted consistently by the Company.

2. Revenue Recognition

(a) Income is recognised in accordance with Accounting Standard AS-9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of India except income from Non Performing Assets (NPA) which is recognised as per the prudential norms issued by NHB.

(b) The application fees, front-end-fees, administrative fees and processing fees on loans are accounted for on realisation.

3. Borrowing Cost

The ancillary cost of raising the borrowings namely brokerage charges, arranger's fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

4. Provision on Non Performing Assets

Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

5. Grants and Subsidies

a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.

Note 1: (Contd.)

b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under "Current Liabilities" and is utilised as per the terms of the agreement with KfW.

6. Fixed Assets and Depreciation

(i) Tangible Assets

a) 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.

b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

d) Payments made for Land / Buildings / Flats where allotment cum possession is pending are shown under Advance against Capital Purchases.

e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

f) Depreciation is provided on written down value method, in accordance with the rates specified in Schedule XIV of the Companies Act, 1956, except:

(i) On assets costing upto Rs.5000/- per item which are clubbed under "Miscellaneous Assets" and depreciation thereon is provided @100%.

(iv) On Mobile phones which are depreciated @ of 45% p.a. on straight line method and after 2 years residual value of 10% is recovered.

Note 1: (Contd.)

(ii) Intangible Assets

In accordance with Accounting Standard AS-26, "Intangible Assets" are valued at cost less accumulated amortization. Computer software is amortised over a period of five years.

7. Investments

Long term 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" issued by the Institute of Chartered Accountants of India and the guidelines issued by the NHB.

8. Foreign Exchange Transactions

(a) Foreign exchange transactions are recorded at the rates (RBI reference rate) prevailing on the dates of the respective transactions.

(b) Monetary Assets and liabilities denominated in foreign currencies are restated at the exchange rate (RBI reference rate) as on the date of Balance Sheet except in respect of transactions where forward rate contract is taken.

(c) Exchange differences resulting from restatement of assets or liabilities or from settlement of transactions are recognised in the Profit and Loss Account.

(d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate (RBI reference rate) at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

9. Employees Benefits

(a) Expenditure on contributions to Provident Fund, Group Saving Linked Insurance Scheme and Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Profit & Loss Account. The Corporation's obligation towards gratuity, provident fund and post retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

Note 1: (Contd.)

(b) The Corporation's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

10. Taxation

(a) Tax expense comprises of current and deferred. Current income tax and wealth tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act/ Wealth Tax Act.

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(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if :

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Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

Note 1: (Contd.)

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

(iii) Contingent assets are neither recognised nor disclosed.

SCHEDULE- S

Significant Accounting Policies

1. Basis of Preparation of Financial Statements

The accounts of the Company have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India, the provisions of the Companies Act, the accounting standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 and the Housing Finance Companies (NHB) Directions, 2001 issued by National Housing Bank (NHB) as adopted consistently by the Company.

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The ancillary cost of raising the borrowings namely brokerage charges, arranger's fees, stamp duty etc. are treated as expenditure in the financial year in which they are incurred.

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Non-performing assets are identified and categorized into Sub-standard, Doubtful and Loss category based on the guidelines issued by NHB. Provisions for Non-performing assets are made in accordance with the said guidelines.

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a) The Company acts as a channelising agency for disbursement of grants / subsidies under various schemes of the Government and Government Agencies. The Company receives the amount of such grants/subsidies and disburses them to eligible parties in accordance with the schemes of the relevant grants/subsidies. The undisbursed grants / subsidies as at the year-end are shown as a part of Current Liabilities. Where grants/ subsidies disbursed exceed the related amount received, such amount receivable from Government / Government Agencies is shown as a part of other Loans and Advances.

b) Grants received from KfW, a German financing agency, in respect of certain schemes for economically weaker sections / low-income groups are also dealt with in the manner described at (a) above. Interest earned on loans given under certain specified schemes is shown under “Current Liabilities” and is utilised as per the terms of the agreement with KfW.

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(i) Tangible Assets

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b) Land / Buildings are classified into leasehold and freehold. Cost of leasehold land is amortized over the period of lease on straight-line basis.

c) Flats / Buildings are capitalized at cost including the stamp duty / registration charges etc. and the total value so arrived at is shown under Flats / Buildings till separate details of cost of land and building is available.

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e) Fixed assets received free of cost from Government are recorded at a nominal amount of Rupee one only. Fixed assets acquired out of grants from Government are taken at the acquisition cost to the Company and the related grants are shown separately. Such assets are also depreciated in the normal manner. The depreciation for the year is arrived net of depreciation on grant assets.

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(d) In respect of forward exchange contracts, other than for trading or speculation purposes, the difference between the forward rate and the rate at the date of transaction is recognized as income or expense over the life of the forward exchange contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

9. Employees Benefits

(a) Expenditure on contributions to Provident Fund, Group Saving Linked Insurance Scheme and Employees' Pension Scheme is accounted for on accrual basis in accordance with the terms of the relevant schemes and charged to Profit & Loss Account. The Corporation's obligation towards gratuity, provident fund and post retirement medical benefits to employees are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

(b) The Corporation's obligation towards sick leave, earned leave, leave travel concession, gift on completion of 20 years of service & retirement gift are actuarially determined and provided for as per AS-15 (Revised) Employee Benefits.

10. Taxation

(a) Tax expense comprises of current and deferred. Current income tax and wealth tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax Act/ Wealth Tax Act.

(b) In respect of disputed income tax / interest tax / wealth tax demands, where the Company is in appeal, provision for tax is made when the matter is finally decided.

(c) Deferred Tax is recognized, subject to consideration of prudence on timing differences, representing the difference between the taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

11. Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions are recognized for liabilities that can be measured only using a substantial degree of estimation, if :

(a) the Company has a present obligation as a result of past event.

(b) a probable outflow of resources is expected to settle the obligation and

(c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

(ii) Contingent liability is disclosed in the case of:

(a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

(b) a possible obligation, unless the probability of outflow of resources is remote.

Provisions, Contingent Liabilities are reviewed by the management at each Balance Sheet date.

(iii) Contingent assets are neither recognised nor disclosed.

NOTE 26 : EXPLANATORY NOTES

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by the company :

(a) Contingent Liabilities:

			(₹ in crore)
		2014-2015	**2013-2014**
i.	Claims of Contractors not acknowledged as debts	0.72	0.72
	Counter claims of the company	0.63	0.63
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2015 of ₹ 323.69 crore (previous year ₹ 320.91 crore) under protest	448.19	619.75
iv.	Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2015 of ₹ 2.64 crore (previous year ₹ 2.50 crore) under protest	6.97	5.05

(b) Capital commitments not provided for:

			(₹ in crore)
		2014-2015	**2013-2014**
i.	Estimated amount of commitments remaining to be executed on capital account	39.49	14.59

(c) CSR commitments not provided for:

			(₹ in crore)
		2014-2015	**2013-2014**
i.	Estimated amount of CSR commitments remaining to be executed	9.61	--

(d) Counter guarantees issued by the company:

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 (as on 31.03.15) (₹ in crore)	Amount of the guarantee (as on 31.03.14) (₹ in crore)
1.	Bank of Baroda	Date of execution November 2, 2012 Validity Date 21.04.17	Performance guarantee for design and consultancy services/ contracts for construction of quarters and allied services at Hindustan Aeronautics Limited Bangalore	0.06	0.06
2.	Axis Bank	Date of execution January 1, 2013 Validity Date 06.04.14	In favour of NSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2012-13.	--	47.00
3.	HDFC Bank	Date of execution January 24, 2013 Validity Date 23.07.14	In favour of NSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2011-12.	--	43.85
4.	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank	50.00	50.00
5.	Bank of Baroda	Date of execution March 19, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 750 crore (including refinance assistance of ₹ 250 crore obtained from National Housing Bank against which Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing fund from National Housing	137.50	137.50

			Bank.		
6.	Vijaya Bank	Date of execution April 5, 2013 Validity Date 07.04.16	Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank.	125.00	125.00
7.	Indusind Bank	Date of execution September 12, 2013 Validity Date 12.09.15	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2013-14.	45.10	45.10
8.	Axis Bank	Date of execution December 12, 2013 Validity Date 15.12.16	Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank.	125.00	125.00
9.	Indusind Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank.	125.00	--
10.	Axis Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank.	62.50	--
11.	Canara Bank	Date of execution December 23, 2014 Validity Date 25.12.17	Collateral security in respect of refinance facility of ₹ 950 crore availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank.	237.50	--
		Total		**907.66**	**573.51**

2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case, HUDCO is only working as an agent. As such, liability (if any) whenever ascertained /

finalised shall be passed on to Govt. of India and met out of AGP project account, being maintained separately.

(b) The company has undertaken Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Affairs & Employment, MoUA&E (now Ministry of Urban Development, MoUD) in the year 1989-90. Vide minutes dated 07.09.1995, MoUA&E has agreed to pay interest @ 17% p.a. on the expenditure incurred on the Andrews Ganj Project along with 1.5% administrative charges. As per Perpetual Lease Deed dated 04.07.1997, the company is liable to make available Net Resources from the development and disposal of properties of the project to the above Ministry and accordingly the company was crediting interest on Net Resources generated on the project upto 03.11.2004 and thereafter a separate "No Lien account" has been opened under the name of HUDCO AGP Account into which the surplus lying to their credit had been deposited and interest accrued / earned on No Lien Account is being credited to that account. Further, company's contention that it is working as an agent and as such total ownership rights and responsibilities are of Government of India and there is no financial liability of the company has been upheld by the opinion of Shri GE Vahanvati as Solicitor General of India dated 12th April, 2005 and as Attorney General of India vide his opinion dated 19th August, 2009 wherein he has opined as under:-

"I am of the opinion that it is not open to the Ministry of Urban Development to contend that they had nothing to do with the development of Hotel Site or that HUDCO was not its agent. The protracted dispute between the two Ministries is leading to mounting interest which is being added to the amount of the decree. This is a matter which therefore, has to be resolved on a mutually acceptable basis and the Ministry of Urban Development should accept its liabilities as the land owner".

The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Keeping this in view, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them through above HUDCO AGP Account. As on 31.03.2015, this account has a debit balance of ₹ 295.61 crore, which represents amounts paid by HUDCO on behalf of government for the capital and revenue expenditures on above project over and above the recoveries to this account including the cumulative interest on excess of expenditure over recoveries of ₹ 81.11 crore upto 31.3.2015 at the rate of 10.75% per annum charged in accordance with HUDCO's Board decision in 459th meeting held on 24.08.2009 on the aforesaid excess payment made by HUDCO, which is recoverable from the above Ministry. The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. However, no specific denial/confirmation from the Ministry has yet been received. The company, in its aforesaid capacity of agent to the Government of India, is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 295.61 crore. HUDCO is raising its demands from time to time to MoUD. The detail of ₹ 295.61 crore is given hereunder:

S. No.	Particulars of Items of Andrews Ganj Project	Balance as on 31.03.2015 (₹ in crore)	Balance as on 31.03.2014 (₹ in crore)	Reference of Note of the Balance Sheet
a	Amount Recoverable from MoUD (Current Assets)	222.68	200.60	Note 18 - D (iv)(b)
b	Closing balance WIP (Current Assets)	19.34	19.34	Note 18- F (i)
c	Amount Due Recoverable from Contractor/ Recovery Others (Current Assets)	53.83	51.67	Included in the amount shown against Note 18 - D(iv)
	Total (a to c) A	**295.85**	**271.61**	
d	Amount payable to contractor/ TDS Payable (Current Liabilities)	0.21	0.31	Included in amount showing against Note - 10(D)
e	VAT/WCT/ Cess payable/ Maintenance Fund (Current Liabilities)	0.03	0.03	Included in amount showing against Note - 10(N)
f	**Total (d to e) B**	**0.24**	**0.34**	
	Surplus/ (Deficit) available as on 31.03.2015 **DEFICIT (A – B)**	**(295.61)**	**(271.27)**	

In line with the provisions of perpetual lease deed executed between HUDCO and MoUD, HUDCO is regularly requesting MoUD for its decisions on the project properties or else to take over the Andrews Ganj Project alongwith assets & liabilities after making payment to HUDCO of the amount spent/ being spent by HUDCO on meeting the liabilities of Andrews Ganj Project with interest and overhead charges. In view of persistent request of HUDCO, several meetings were held in year 2013-14 under the chairmanship of Secretary, UD wherein the possibilities were explored by MoUD to take over the project from HUDCO and handing over the same to NBCC for further implementation and payments of the due amount to HUDCO which has been spent by HUDCO on implementing the project as agent of MOUD.

NBCC recently through a letter has conveyed its unwillingness to MOUD's proposal to take over the Andrews Ganj Project. A meeting was again held under the chairmanship of Secretary, HUPA in presence of Secretary, UD, on 27.4.2015, wherein it was decided that HUDCO shall continue to implement the Andrews Ganj Project in terms of perpetual lease deed conditions and all the pending issues shall be looked into for resolution by MoUD.

(c) An amount of ₹ 17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 2.7.1990 to 4.7.1997, although there was no liability of payment of property tax on HUDCO since the property belongs to

Union of India. The Hon'ble Supreme Court decided the case in favour of HUDCO as such, the entire amount along with interest is recoverable from MCD. Out of the above, an amount of ₹ 11.46 crore has been refunded by MCD on 3.10.2005 which has been adjusted against interest. As per opinion of Solicitor General of India no property tax is payable by HUDCO on the land owned by Government of India. Company filed contempt petition against MCD for recovery of balance amount from MCD after taking opinion of Additional Solicitor General of India.

After hearing, the Hon'ble Supreme Court disposed off the contempt petition, granting liberty to HUDCO to pursue their remedy in competent Court if the same is available under Law. Accordingly, company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC), earlier MCD, for recovery of balance amount.

Further, SDMC, vide notice dated 24.12.2012 and 02.01.2013, has also raised the demand of service charges for the period from 02.07.1990 till 04.07.1997 and also property tax for the period from 04.07.1997 till 02.01.2013 from HUDCO amounting to ₹ 84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for the properties in possession by HUDCO on behalf of MoUD. The notice further stated that in case dues are not cleared then SDMC may proceed to attach the bank accounts of HUDCO. HUDCO filed writ petition no.467/2013 in Delhi High Court against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 84.28 crore raised by SDMC and claimed from HUDCO on Andrews Ganj property on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 04.07.1997).

After hearing both parties, the Hon'ble High Court stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹ 7 crore with SDMC, without prejudice to the rights and contentions of both the parties within four weeks of the order dated 31.01.2013. The amount of ₹ 7 crore has since been deposited on 26.02.2013 with SDMC. Now the matter is listed on 15.12.2015 before High Court for filing of counter affidavit by Union of India and rejoinder thereafter, if any, by the petitioner. SDMC has filed its reply. HUDCO has filed rejoinder to the reply of SDMC.

(d) The company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the company cancelled the allotment of hotel site including car parking space and forfeited the first installment paid by MSSEL in terms of the allotment letter. MSSEL started litigation regarding hotel site, which is still continuing at the appellate stage in the High Court of Delhi and the next date of hearing in the matter is fixed as 10.09.2015. On the initiatives of MSSEL and MoUD, the matter was referred to Delhi Mediation and Conciliation Centre, Delhi High Court for settlement, which is still pending.

(e) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi.

The High Court vide order dated 08.11.2012, without prejudice to respective rights and contentions of the parties in dispute, has referred the case to Delhi Mediation and Conciliation Centre on the initiative of MSSEL and consent of Ministry of Urban Development (MoUD), which is still pending.

MoUD vide its letter dated 14th May 2013 has requested HUDCO to furnish the account statement in the matter of out of court settlement with MSSEL. Accordingly, HUDCO, vide letter dated 23rd May 2013, has furnished the statement of account and also requested for reimbursement of amount spent by HUDCO out of its own fund for meeting the liability of Andrews Ganj Project. Further, MoUD vide another letter dated 25th May 2013, has requested HUDCO for its NOC for out of court settlement by MoUD with MSSEL. In reply of the same, in accordance with the decision taken by the HUDCO Board, HUDCO issued NOC subject to the conditions that the amount spent / being spent by HUDCO towards the liability of Andrews Ganj Project shall be reimbursed to HUDCO and the same may be mentioned in the settlement agreement between MoUD and MSSEL. HUDCO also stated that the payment, if any, by MSSEL be routed through HUDCO.

The matter was listed before mediator on 05.08.2015. The letter given by Ministry for calling off the mediation was submitted to mediation centre. The case is likely to be referred back to the Hon'ble High Court and is fixed up for further orders on 29.10.2015.

(f) The arbitrator has passed an award in respect of various claims by M/s. Ansal Properties and Industries Ltd. (APIL) with respect to issues related to external electrification, provision of scrubber, refund of interest etc. allotment of site in Shopping Arcade to APIL on 28.07.2005 in favour of APIL directing HUDCO to pay ₹ 8.84 crore and further interest @18% p.a. from 01.08.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately ₹ 0.85 crore of maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 01.01.2001 upto 31.07.2005 within 3 months from the date of award failing which, APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court, out of HUDCO AGP Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. After expiry of Bank Guarantee, APIL requested Court to accept the security of immovable properties, which was allowed by the Court. Accordingly, APIL submitted documents of immovable properties in the Court. However, documents submitted by APIL are not acceptable to company. The company moved an application in Court for restoring security of Bank Guarantee as earlier provided by APIL. Now, the case is listed before Registrar General, High Court for hearing.

APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.07.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f. from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.05.2012 has set aside the arbitration award dated 21.07.2006 and has further held that APIL was liable to pay ground rent to HUDCO from date of possession of shopping arcade i.e. November, 1995.

APIL filed an appeal against the above mentioned order before Division Bench of High Court, Delhi. Division Bench pronounced the order on 24.01.2013, allowing APIL appeal and upheld the Arbitrators award. HUDCO has filed SLP on 10.05.2013 before Supreme Court challenging the order dated 24.01.2013 of Division Bench, High Court. After hearing, the SLP has been admitted by the court and now it will be listed in due course.

(g) A meeting was held under the chairmanship of Secretary, HUPA in presence of Secretary, UD, on 27.04.2015, wherein it has been decided that the Andrewsganj Project will continue to be with HUDCO and they will be responsible for its execution and further progress. HUDCO as a lessee will bear all the liabilities of its Andrewsganj Project including liabilities generated out of the compliance of various court orders in cases related to this Project. As regards sub-letting/ sub leasing of 9 guest house blocks, HUDCO may take decision as per the terms and conditions of the Lease Deed and court orders, if any. L&DO will requisite approvals on request of HUDCO, if required. HUDCO may get the 'Community City Centre" lease hold property converted into freehold as per extant policy of conversion from L&DO.

3) (a) The company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. In case of receipt of balance confirmation from the agency for any Quarter of the year, the same is treated as confirmed during the year. Confirmation of balances covering approximately 83.85% (previous year 87.37%) in value of the total project loan outstanding (excluding Litigation cases) have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.

(b) The provision on loans as per NHB norms has increased by ₹ 101.28 crore (previous year ₹ 167.85 crore) during the year which stood at ₹ 1,315.09 crore (previous year ₹ 1,213.81 crore) as on 31.03.2015. The total NPA provision made by company is ₹ 1,705.09 crore as on 31.03.2015 (against ₹ 1,433.81 crore as on 31.03.2014).

The company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood at ₹ 390 crore on 31.03.2015 (Previous Year ₹ 220 crore).

4) 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. An amount of ₹ 151.69 crore (previous year ₹ 63.43 crore) of NPA cases in consortium funded agencies has been adjusted as above, with the approval of Board, during 2014-15.

5) U. P. Rural Housing Board (UPRHB) had availed credit facility from HUDCO, in the past. In the year 2000, U. P. State was bifurcated into Uttrakhand and Uttar Pradesh. In view of the bifurcation, the Government of U. P. informed that certain schemes were implemented in State of Uttrakhand and accordingly, the amount belonging to the schemes implemented in Uttrakhand shall now be paid by Uttrakhand only. U. P. Government further represented that they will be settling the dues outstanding against schemes implemented in Uttar Pradesh only.

UPRHB, in the year 2005, unilaterally paid ₹ 40.61 crore towards settlement of dues against the schemes falling in Uttar Pradesh only. HUDCO did not accept the contention of UPRHB and adjusted above payment as per loan agreement and showed the balance amount as recoverable. Consequent upon this, the outstanding amount ran into defaults. In view of the overdues in the account, the account was classified as non-performing asset in September 2000. In view of persistent overdues in the account, the account was classified as non-performing asset with 100% provisioning. The overdues in the account as on 31st March 2015 were ₹ 90.28 crore (consisting of interest of ₹ 62.22 crore & principal amount of ₹ 28.06 crore).

During the current financial year 2014 - 15, HUDCO sanctioned a new loan of ₹ 1500 crore to UPRHB and released a sum of ₹ 659.54 crore on 31.03.2015 after adjusting the amount as detailed above and interest on fresh loan amounting to ₹ 0.18 crore. UPRHB refuted the above book adjustment and has given a confirmation only for an amount of ₹ 659.54 crore received by it. HUDCO approached UPRHB and requested them to give a confirmation for the disbursement of ₹ 750 crore. As per agreement, out of the total amount of ₹ 90.28 crore due, a sum of ₹ 48.09 crore is due from the State of Uttar Pradesh and a sum of ₹ 42.19 crore is due from the State of Uttrakhand. Further, UPRHB, in the month of September, 2015, requested the company to accept its One Time Settlement (OTS) proposal at ₹ 16.63 crore as on 31st March 2015, related to old outstanding against the schemes implemented in U. P. only as full & final settlement against their share of default / NPA along with waiver of one day interest of ₹ 0.18 crore charged by HUDCO on new loan. Government of U. P. requested to release the balance amount out of ₹ 90.28 crore, after adjusting the OTS amount of ₹ 16.63 crore. Government of U.P. also informed the amount to be recovered from Uttrakhand against the schemes implemented in Uttrakhand. Government of U. P. also indicated that HUDCO should approach the Government of Uttrakhand separately and take up the matter of recovery directly with Government of Uttrakhand. As the UPRHB portion has been settled in full as per OTS, hence the fresh loan given to UPRHB has not been considered as NPA and has been considered as standard as on 31.03.2015.

The Board of Directors of HUDCO acceded to the request of UPRHB and waived one day interest of ₹ 0.18 crore charged on new loan during the financial year 2014 – 15 in the 548th Board meeting held on 20th July, 2015 and also approved the proposal of OTS submitted by UPRHB in its 552nd Board meeting held on 28.09.2015 with certain conditions such as issue of NOC in respect of old loan and release of Govt. guarantee in respect of UP portion. However, these conditions are in the process of compliance. HUDCO, in line with the AS -4, on "Contingencies and Events occurring after the balance sheet date', has given effect of the above in its books of accounts for the financial year 2014 - 15 resulting in increase in profit by ₹ 12.31 crores. Further, release of ₹ 750 crores, has been reduced by ₹ 73.65 crores (₹ 90.28 crore – ₹ 16.63 crore) as on 31.03.2015, which is payable to UPRHB.

The company has shown a sum of ₹ 8.34 crore as loan recoverable from Government of Uttrakhand. The amount is yet to be confirmed by the Government of Uttrakhand. The necessary loan documents / agreements in respect of this loan amount are yet to be executed. The amount, in view of the above, has been classified as doubtful asset with 100% provisioning.

6) Status of Documentation subsequent to unbundling of State Electricity Boards (SEBs) - The company had sanctioned & disbursed loans to the State Electricity Boards. Some of these erstwhile SEBs (HUDCO's existing agencies) were restructured by the respective State Governments and new entities were formed. Consequently, the liabilities of these erstwhile SEBs were transferred to new entities.

However, in case of Tamil Nadu Electricity Board (TNEB), during the unbundling of the said Electricity Board, three agencies were formed namely; TNEB, TANTRASCO and TANGEDCO. As per the Government order issued by the Government of Tamil Nadu, TANGEDCO will be responsible for all repayments to HUDCO till such time all the assets and liabilities are apportioned between three entities. After the apportionment of assets and liabilities, transfer agreement will be executed with HUDCO for transferring the loan liability. The Government of Tamil Nadu had extended the time period upto 31.10.2014 which as per TANGEDCO's communication is expected to be further extended up to 31.10.2015. After final confirmation from the Government of Tamil Nadu, transfer agreement(s) will be executed between HUDCO and the three unbundled entities.

7) Status of Documentation subsequent to Reorganisation of Andhra Pradesh State – Subsequent to the reorganization of erstwhile Andhra Pradesh, it has been bifurcated into two States namely, Andhra Pradesh and Telangana (New State) on June 2, 2014. However, the assets and liabilities of the erstwhile State of Andhra Pradesh are yet to be divided between borrowing agencies of these two States through a formal Gazette Notification.

8) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by :

(i) Equitable Mortgage of the property and /or

(ii) Undertaking to create security through execution of Tripartite Agreement between the company, borrower and the Developing Authority / Developer ;

(iii) Government Guarantee, First charge on the assets of the housing finance company or First Pari-Passu charge on the outstanding loans, Escrow mechanism, postdated cheques or ECS, First Pari-Passu charge on immovable property, Undertakings, Demand promissory note and Irrevocable Power of Attorney in favour of HUDCO.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

9) The company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:

(a) The company pays fixed contribution of provident fund at a predetermined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the company to guarantee the payment of interest at rates notified by the Central Government from time to time. The fair value of the assets of the provident fund as at 31.03.2015 is higher than the obligation under the defined contribution plan. Accordingly, no provision on the basis of actuarial valuation of provident fund has been made during the year 2014-15.

(b) The company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is managed by a separate trust though LIC Policy and the premium paid by the Trust is funded by the company.

(c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

	Gratuity		**Leave Encashment**				**Post Retirement Medical Benefits**	
			EL		**HPL**			
	2014-15	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**
1. Component of Employer Expenses								
a. Current Service Cost	1.43	1.31	2.51	2.30	0.56	0.51	3.38	3.10
b. Interest Cost	3.04	2.45	1.58	1.37	0.38	0.86	8.65	7.11
c. Past Service Cost	-	-	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(3.69)	(3.51)	NA	NA	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	2.87	2.52	3.33	2.65	0.47	(7.51)	12.28	(1.16)
g. Recognised in the Statement of Profit & Loss.	3.65	2.77	7.42	6.32	1.41	(6.14)	24.31	9.04
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2015								
a. Present value of Obligation as at 31.3.2015	39.54	34.70	22.41	18.16	5.48	4.45	117.67	96.32
b. Fair Value of plan assets as at 31.3.2015	42.43	40.23	NA	NA	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(2.89)*	(5.53)*	22.41	18.16	5.48	4.45	117.67	96.32
3. Change in present value of obligation as on 31.3.2015								
Present Value of obligation as at 31.3.2014	34.70	32.27	18.16	22.26	4.45	10.92	96.32	89.41
Current service cost	1.43	1.31	2.51	2.30	0.56	0.51	3.38	3.10
Interest Cost	3.04	2.45	1.58	1.37	0.38	0.86	8.65	7.11
Past Service Cost	-	-	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial (Gain) / Loss	2.60	2.45	3.33	2.65	0.47	(7.51)	12.28	(1.16)

Benefits Paid	(2.23)	(3.78)	(3.17)	(10.42)	(0.38)	(0.33)	(2.96)	(2.14)
Present Value of obligation as at 31.3.2015	39.54	34.70	22.41	18.16	5.48	4.45	117.67	96.32
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.3.2014	**40.23**	34.51	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	**3.69**	3.51	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual company Contribution	**1.45**	1.25	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	**(2.22)**	(2.34)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	**(0.72)**	3.30	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2015	**42.43**	40.23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	3.42	6.81	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions								
Discount Rate (p.a.) (%)	7.80	9.10	7.80	9.10	7.80	9.10	7.80	9.10
Expected rate of returns on plan assets (p.a.) (%)	9.40	9.40	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6. Details of the Plan Assets at cost as on 31.3.2015								
Government of India Securities, Corporate Bonds etc.	-	-						
Gratuity Fund Managed by Insurer	100%	100%						

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

* The Assets of ₹ 2.89 crore (previous year ₹ 5.53 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.03.2015.

10) Details of Short Term and Long Term Provisions as per AS 29

(₹ in crores)

S. No.	Particulars	Opening Balance	Additions During the Year	Paid/ Adjusted during the year	Closing Balance
A	**Provision for employees benefit**				
(i)	Leave encashment	22.61	8.83	3.55	27.89
	Previous Year	33.18	0.18	10.75	22.61
(ii)	Post-retirement medical benefit	96.32	24.31	2.96	117.67
	Previous Year	89.42	9.04	2.14	96.32
(iii)	Welfare expenses	0.53	0.66	0.08	1.11
	Previous Year	0.56	0.08	0.11	0.53
(iv)	Leave travel concession	9.07	2.28	7.41	3.94
	Previous Year	11.64	1.74	4.31	9.07
B	**Others**				
(i)	Provision for Income Tax	292.50	396.90	292.50	396.90
	Previous Year	297.00	292.50	297.00	292.50
(ii)	Wealth tax	0.25	0.25	0.25	0.25
	Previous Year	0.20	0.25	0.20	0.25
(iii)	Proposed Final Dividend	100.01	100.01	100.01	100.01

	Previous Year	150.00	100.01	150.00	100.01
(iv)	Dividend Tax	17.00	20.49	17.00	20.49
	Previous Year	25.50	17.00	25.50	17.00
C	**Provisions on Loans**				
(i)	Contingent Provisions for Standard Assets as per NHB norms	126.25	11.14	0.00	137.39
	Previous Year	122.65	3.60	0.00	126.25
(ii)	Provision on Loans other than Standard	1307.56	260.14	0.00	1567.70
	Previous Year	1303.31	4.25	0.00	1307.56
D	**Corporate Social Responsibilities (CSR) & Sustainable Development (SD)**	18.30	0.11	8.47	9.94
	Previous Year	0.00	30.80	12.50	18.30
E	**Provisions on Investment/ Advances/ Debtors/ Staff Advances/**				
(i)	Provisions on Investment	3.39	0.00	0.00	3.39
	Previous Year	3.39	0.00	0.00	3.39
(ii)	Provision on staff advances	0.09	0.00	0.00	0.09
	Previous Year	0.09	0.00	0.00	0.09
(iii)	Provision on Advances	0.27	0.17	0.00	0.44
	Previous Year	0.25	0.02	0.00	0.27
(iv)	Provision on amount receivable from Govt. of India under Jabalpur Earthquake Scheme	4.98	0.00	4.98	0.00
	Previous Year	4.98	0.00	0.00	4.98

11) Hudco has created Welfare Reserve by transferring the unutilised amount of 5% of distributable profit of the Company after payment of PLI/ PRP to its employees. An amount of ₹ 66.56 crore as on 31.3.2015 has been accumulated over the years.

The Welfare guidelines as to the eligibility and welfare activities have been approved by the Board of Directors. Further, funds have since been transferred to a separate account and invested. However, the procedure/ system for incurring the expenditure out of the investment proceeds is under finalisation.

12) National Housing Bank's credit concentration norms states that a Housing Finance company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.13, investment of a Housing Finance company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

NHB has given certain relaxations from credit concentration norms considering the role envisaged for HUDCO as given below:

(i) NHB vide its letter No. NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated 05.04.2011 has given relaxation which is reproduced as under:

"The Bank, after taking into consideration the role envisaged for HUDCO by the Ministry of Urban Development, in terms of the MOU signed between HUDCO and the Ministry, decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply."

Towards effective implementation of the above relaxation and for appropriate reporting, the Board of Directors of HUDCO in its meeting No.498 held on 19.03.2012 approved the categorization of projects as housing and housing related infrastructure and others.

(ii) NHB vide its letter No. NHB/ ND/ SUP/ 6682/ 2014 dated 16.05.2014 has given relaxation which is reproduced as under:

"The Bank, after taking into consideration the role envisaged for HUDCO by the Ministry of Housing & Urban Poverty Allievation, in terms of the MOU signed between HUDCO and the Ministry, has decided to grant permission to HUDCO for housing and housing related activities for Government/ Public agencies permitted upto 75% of its Net Owned Funds for group exposure in respect of four states namely Andhra Pradesh, Rajasthan, Karnataka and Tamil Nadu.

It has also been decided to grant permission to HUDCO for other than housing and housing related activities for Government/ Public agencies permitted upto 20% of its Net Owned Funds for individual exposure."

The company is complying with National Housing Bank's credit concentration norms. However, in one case investment in another HFC viz., Indbank Housing Ltd. is 25 % as against the prescribed limit of 15% as per NHB's circular dated 21.03.13, which states that investment of a Housing Finance company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

HUDCO had invested ₹ 2.50 crore, more than 20 years back, in the Equity Shares of the Indbank Housing Ltd., whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity. Further, in principle approval for merger of Indbank Housing Ltd. in Indian Bank has been accorded by HUDCO's Board in its 495th meeting held on 20.01.2012. The matter is yet to be finally concluded alongwith swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

13) Valuation of investment

a. The company had invested in 25 lac equity shares, amounting to ₹ 2.50 crore, of the Indbank Housing Ltd. around 20 years back as strategic investor. As the said investment is strategic in nature, hence, there are no plans of disposing off the stake in near future. Considering the fact that Indbank Housing Ltd. has highly negative Net Worth even though market price of the share as on 31.03.2015 is ₹ 6.05 per share (previous year ₹5.99 per share), Hudco continues to reflect the strategic investment of ₹2.50 crore in Indbank Housing Ltd. at diminished value of ₹ 1 only (since the FY 2006-07) as on 31.03.15. Moreover, merger of Indbank Housing Ltd. in Indian Bank is also under process and the swap ratio and other modalities are yet to be worked out.

b. The company had invested in 1 lac equity shares, amounting to ₹ 0.10 crore, in the Sri K.P.R. Industries Ltd. (formerly, Bhagyanagar Wood Plast Ltd.) around 20 years back. Considering the fact that Sri K.P.R. Industries Ltd. had highly negative Net Worth during its past years, HUDCO had made a provision of ₹ 0.03 crore accordingly in previous years. The company has not revised the provision (written back) on account of its low volume of transactions in the Stock exchange, even though market price of the share as on 31.03.2015 is ₹ 16.75 per share (previous year ₹18.55 per share).

14) During the year, the company has changed its Accounting Policy as under:

a) The accounting policy of recognizing of income from application fees, front-end-fees, administrative fees and processing fees on loans has been changed from cash basis to accrual basis. The financial impact of the same is unascertainable.

b) Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per the requirement of Schedule II of Companies Act 2013. Consequent to this, depreciation expenses for the period ended 31.03.2015 is higher by ₹ 1.03 crore. In case of assets whose useful life has expired, the carrying value (net of residual value), as at 1st April 2014 amounting to ₹ 0.43 crore (net of tax ₹ 0.23 crore) has been adjusted to the General Reserve as on 01.04.2014 in complying with the transitional provisions specified in Schedule II.

c) HUDCO's Employees' Pension Scheme effective from 01.01.2007 has been introduced during the financial year 2014-15 after receipt of approval from the Ministry and the accounting policy related to Employees Benefits has been modified to that extent. Keeping this in view, a provision of ₹ 28.36 crores relating to employer's share has been made. Accordingly, the profit for the year is lower by ₹ 28.36 crore due to the said change in accounting policy.

15) Details of Registration Number obtained from financial sector regulators:

S. No.	Particulars	Registration Number
a.	Ministry of Corporate Affairs	CIN : U74899DL1970GOI005276
b.	National Housing Bank	01.0016.01

16) (a) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.

(b) In respect of Bonds/ Deposits/ Debentures, the company is presently transferring unclaimed principal and/or interest, or both (if any), which are paid on due dates as per the terms of the Bonds/ Debentures/ Public Deposit Scheme, after 7 years from the maturity date of the Bonds/ Deposits/ Debentures to IEPF. The unclaimed amount lying in current liability includes interest of ₹ 0.26 crores as on 31/03/2015, which have lapsed 7 years from the respective due dates of interest payment and not transferred to IEPF, since 7 years from the maturity date of the Bonds/ Deposits/ Debentures has not been completed yet.

17) The company has not received information from vendors / suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.

18) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 "Segment Reporting" since the main business of the company is to provide finance for Housing / Infrastructure projects and all other activities of the company revolve around the main business.

19) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is complied with. In the opinion of management, there is no impairment of assets during the year.

20) The company makes full provision on doubtful debtors / receivables and advances which are outstanding for more than three years.

21) The company has proposed final dividend of ₹ 100.01 crore at the rate of ₹ 49.96 per share of ₹ 1,000 each, which is payable to Government of India, subject to approval of same by shareholders in the ensuing annual general meeting.

22) The company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as office rent under Note No. 24 of the Statement of Profit & Loss. Further, there is no financial lease as company's

leasing arrangement does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

23) Details of Expenditure / Earnings in foreign currency :

(₹ in crore)

Particulars	2014-2015	2013-2014
Expenditure		
a) Traveling & Entertainment	0.16	0.21
b) Others	0.00	0.01
c) Interest on foreign loan	5.77	6.89
Total Expenditure	**5.93**	**7.11**
Earnings		
a) Interest on overseas deposit	1.40	1.73

24) Earnings Per Share:

Particulars		Year ended 31.3.2015	Year ended 31.3.2014
Net Profit for the year attributable to equity shareholders (₹ in crore)	(a)	777.63	726.34
Weighted Average number of Equity Shares	(b)	2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of ₹ 1000/- each (₹)	(a / b)	388.45	362.83

25) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

(1) HOUSING FINANCE BUSINESS:

Loans :

(₹ in crore)

Assets Classification	Principal outstanding *		Provision As per Norms *		Additional provision	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014	2014-2015	2013-2014
Standard (considered good) - *Secured*	9,302.59	7,460.15	45.24	37.39	20.00	40.00
Sub-standard Assets – *Secured*	23.86	57.74	3.58	8.66		
Doubtful Assets						
Secured	297.38	315.18	262.29	293.29		
Unsecured	11.51	11.26	11.51	11.26		
Total Doubtful Assets	308.89	326.44	273.80	304.55		
Loss Assets						
Secured	1.68	1.73	1.68	1.73		
Unsecured	24.12	28.80	24.12	28.80		
Total Loss Assets	25.80	30.53	25.80	30.53		
Total	9,661.14	7,874.86	348.42	381.13	20.00	40.00

(2) NON HOUSING FINANCE BUSINESS:
Loans :

(₹ in crore)

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014	2014-2015	2013-2014
Standard (considered good) - *Secured*	21,092.68	19,851.48	92.15	88.86	370.00	180.00
Sub-standard Assets – *Secured*	181.47	622.89	27.22	93.43		
Doubtful Assets						
Secured	1,430.68	980.23	748.41	638.03		
Unsecured	95.12	8.59	95.12	8.59		
Total Doubtful Assets	1,525.80	988.82	843.53	646.62		
Loss Assets - *Unsecured*	3.77	3.77	3.77	3.77		
Total	22,803.72	21,466.96	966.67	832.68	370.00	180.00
Grand Total (1) + (2)	32,464.86	29,341.82	1,315.09	1,213.81	390.00	220.00

(3) Investments: **(₹ in crore)**

Particulars	Principal outstanding		Provision As per Norms	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Equity Shares	36.67	34.87	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Infrastructure Debt Fund	50.00	50.00	-	-
Bonds	670.00	670.00	-	-
Total	759.07	757.27	3.39	3.39

* The principal outstanding and cumulative provision is excluding KFW Loans

26) As per DPE letter dated 21.01.2013, the Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

27) Related parties Disclosure :

(a) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) MCM Infrastructure Pvt. Ltd.

(4) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year 2014-2015 :

Sl. No.	Director(s)	Status
1.	Dr. M. Ravi Kanth	Chairman & Managing Director (Whole time Director) (from 11.4.2014)
2.	Shri V P Baligar	Ex-Chairman & Managing Director (Whole time Director) (from 11.4.2011 to 10.04.2014)
3.	Shri N. L. Manjoka	Director Corporate Planning (Whole time Director) (from 11.04.2013)
4.	Shri Anil Kumar Kaushik	Director Finance (Whole time Director) (from 30.05.2013)
5.	Shri Harish Kumar Sharma	Company Secretary (from 06.11.2013)

(c) Transactions with Joint Ventures:

(i) Investment in Joint Venture

(₹ in crore)

Proportion of ownership	40%	26%			
Nature of Transactions	Shristi Urban Infrastructure Development Ltd.	Pragati Social Infrastructure & Development Ltd.	MCM Infrastructure Pvt. Ltd.	Signa Infrastructure India Ltd.	Total
Investments					
Balance as at 31.3.2014	2.00	0.13	0.26	0.013	2.403
Additions during the year	-	-	-	-	-
Balance as at 31.3.2015	2.00	0.13	0.26	0.013	2.403

(d) Transactions with Key Management Personnel:

i) Shri N. L. Manjoka, DCP has taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the company in January 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2015 is ₹ 0.03 crore including interest accrued ₹ 0.01 crore (maximum outstanding is ₹ 0.04 crore during the year 2014-15).

ii) Shri Anil Kumar Kaushik, DF has taken a House Building Advance of ₹ 0.10 crore (interest bearing) from the company in October, 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2015 is ₹ 0.05 crore including interest accrued ₹ 0.002 crore (maximum outstanding is ₹ 0.10 crore during the year 2014-15).

(e) Managerial Remuneration :

(₹ in crore)

Particulars	**Dr. M. Ravi Kanth, CMD**		**Shri V P Baligar, Ex-CMD**		**Shri N. L. Manjoka, DCP**		**Shri Anil Kumar Kaushik, DF**		**Shri Harish Kumar Sharma, CS**	
	2014-15	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**	**2014-15**	**2013-14**
Salaries	0.20	-	0.01	0.18	0.21	0.18	0.22	0.16	0.11	0.05
Contribution to PF	0.02	-	-	-	0.02	0.02	0.02	0.02	0.01	0.01
Perquisites and other allowances	0.09	-	0.01	0.05	0.27	0.06	0.28	0.08	0.02	-
Total	**0.31**	-	**0.02**	**0.23**	**0.50**	**0.26**	**0.52**	**0.26**	**0.14**	**0.06**

28) Information in relation to the interest of the company in Joint Ventures as required under AS – 27.

a) Details of Joint Ventures

Name of the company	**Contribution towards equity (₹ in crore)**	**Country of Residence**	**Proportion of ownership**	**Description of Interest**
Shristi Urban Infrastructure Development Ltd.	2.000	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.130	India	26%	Jointly controlled entity
MCM Infrastructure Pvt. Ltd.	0.260	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.013	India	26%	Jointly controlled entity
Total	**2.403**			

b) Proportionate Assets & Liabilities:

(₹ in lakhs)

	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd. *		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
Year ending	Un audited as at 31.3.2015	Audited as at 31.3.2014	Un audited as at 31.3.2015	Audited as at 31.3.2014	Un audited as at 31.3.2015	Audited as at 31.3.2014	Un audited as at 31.3.2015	Audited as at 31.3.2014
Fixed Assets	0.18	0.48	Not available	Not available	-	-	0.03	0.04
Investments	120.00	120.00	Not available	Not available	-	-	-	-
Deferred Tax Assets	0.45	0.37	Not available	Not available	-	-	-	-
Current Assets, Loans and Advances	240.50	200.14	Not available	Not available	14.23	13.11	14.80	13.15
Statement of Profit & Loss (Debit Balance)	-	-	Not available	Not available	-	-	-	-
Share of Total Assets	369.82	329.84	Not available	Not available	14.23	13.11	14.83	13.19
Reserves & Surplus	13.23	13.13	Not available	Not available	-12.29	-13.14	9.04	9.08
Current Liabilities and Provisions	155.28	115.38	Not available	Not available	0.51	0.25	4.42	2.80
Loans Funds	1.31	1.33	Not available	Not available	-	-	0.05	-
Deferred Tax Liabilities	-	-	Not available	Not available	-	-	0.01	0.01
Share of Total Liabilities (excluding Reserves & Surplus)	156.59	116.71	Not available	Not available	0.51	0.25	4.48	2.81
Operations Income	0.86	73.97	Not available	Not available	-	-	-	2.71
Other Income	50.51	0.10	Not available	Not available	1.17	1.11	-	0.07
Total Income	51.36	74.07	Not available	Not available	1.17	1.11	-	2.78
Share of Expenses	51.14	74.00	Not available	Not available	0.31	0.31	0.04	2.57
HUDCO's share in contingent liability of JV Co.	Not available	Not available	Not available	Not available	Not available	Not availabl e	Not available	Not available
Contingent liability for jointly controlled company incurred by HUDCO	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Capital Commitment	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available

*** Case filed before company Law Board, Kolkata Law Bench on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 397 and 398**

(Prevention of Oppression and Mismanagement) of Companies Act, 1956, therefore the company has not provided unaudited / audited accounts for the year 2013-2014 & 2014-2015 and also not available at MCA site.

29) (a) The company has formulated a CSR and Sustainability policy in line with the new guidelines issued by Department of Public Enterprise (DPE) vide its Office Memorandum No. F.No.15(7)/2012-DPE(GM)-GL-104 dated 12/04/2013 with the approval of HUDCO's Board.

As per Companies Act' 2013, HUDCO's Board also approved allocation for CSR and Sustainability budget for the FY 2014-15, equivalent to 2% of the average profit (Profit before Tax) of immediately preceding three financial years amounting to ₹ 20.64 crore.

(₹ in crore)

S. No.	Particulars	Amount	
1.	Gross Amount of CSR required to be spent during the financial year 2014-15	20.64	
2.	Amount spent during the year on:	In cash	Yet to be paid in cash
	i) Construction/ Acquisition of any asset	--	--
	ii) On purpose other than (i) above	3.23	--

As per the new guidelines issued by ICAI, no provision has been made in the financial statements for any shortfall in the amount that was expected to be spent on CSR. Further, an amount of ₹ 18.30 crores remained unutilised upto 31.03.2014, out of which ₹ 8.36 crores (net) has been spent during the financial year 2014-15 and the balance amount of ₹ 9.94 crores is shown under the head Provision for CSR in Note 11.

As per HUDCO's approved CSR Policy, 1st installment of CSR assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/ financial progress in the proposal. There has been a couple of cases where even after sanction of CSR and Sustainability Fund by HUDCO, documentation formalities were not completed by the agencies and therefore the 1st installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/ financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies. These factors result in delay/ time gap in incurring CSR expenditure.

(b) The company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE (MoU) dated 20.9.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects / activities, accordingly, an amount of ₹ 3.63 crore for the FY 2014-15 has been earmarked. During the financial year 2014-15, an amount of ₹ 2.15 crores has been spent on R&D activities and balance amount of ₹ 1.48 crores has been kept as non-lapsable budget. Accordingly, no provision of ₹ 1.48 crore in the financial statements for the shortfall has been considered in line with the new CSR Policy.

30) Additional Disclosure requirement as per NHB Directions

(a) Capital to Risk Assets Ratio (CRAR)

	Particulars	31.3.2015	31.3.2014
i)	CRAR (%)	50.46	27.85
ii)	CRAR - Tier I capital (%)	50.46	27.85
iii)	CRAR - Tier II Capital (%)	-	-

(b) Exposure to Real Estate Sector

(₹ in crore)

Category			2014-2015	2013-2014
a)	**Direct exposure**			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than ₹15 lakh)	31.93	32.42
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh)	134.20	156.88
		Total	166.13	189.30
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	1363.37	1825.38
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	-	-
		(a) Residential	-	-
		(b) Commercial Real Estate	-	-

b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	212.11	277.10

(c) **Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as on 31.3.2015:

(₹ in crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	2698.39	117.11	4.17	-	4.30	18.60	21.03	23.78	6.42	-	2893.80
Market Borrowings	34.71	60.01	90.06	319.78	1820.44	3223.90	1703.86	2921.75	3005.01	7394.46	20573.98
Assets											
Advances	93.03	718.97	166.38	938.48	1957.42	7692.83	6704.87	5382.35	4813.97	2428.14	30896.44
Investments	400.00	-	-	-	-	-	-	270.00	-	85.68	755.68

31) (a) Figures of the previous year have been regrouped/ rearranged/ recasted wherever considered necessary to make them comparable with figures for current year.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

NOTE 24 : EXPLANATORY NOTES

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by company :

(a) Contingent Liabilities:

			(₹ in crore)
		2013-2014	2012-2013
i.	Claims of Contractors not acknowledged as debts	0.72	0.72
	Counter claims of the company	0.63	0.63
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.3.2014 of ₹ 320.91 crore (previous year ₹ 245.38 crore) under protest	619.75	481.04
iv.	Disputed Service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.3.2014 of ₹ 2.50 crore (previous year ₹ 2.49 crore) under protest	5.05	5.77

(b) Capital commitments not provided for:

			(₹ in crore)
		2013-2014	2012-2013
i.	Estimated amount of commitments remaining to be executed on capital account	14.59	26.03
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	-	0.62

(c) Counter guarantees issued by the company:

S. No.	Lender in whose favour the guarantee is extended	Guarantee documentation	Name of the counterparty	Amount of the guarantee (as on 31.03.14) (₹ in crore)	Validity Date	Amount of the guarantee (as on 31.03.13) (₹ in crore)
1.	HDFC Bank	Deed of counter guarantee dated January 22, 2013	National Stock Exchange of India Ltd.*	43.85	23.04.14 Further extended upto 23.07.14	43.85
2.	Bank of Baroda	Deed of counter guarantee dated November 2, 2012	Hindustan Aeronautics Limited**	0.06	21.04.15	0.06
3.	Axis Bank	Deed of counter guarantee dated January 1, 2013	National Stock Exchange of India Ltd. ***	47.00	06.04.14	47.00
4.	Indusind Bank	Deed of counter guarantee dated March 15, 2013	National Housing Bank ****	50.00	18.03.16	50.00
5.	Bank of Baroda	Deed of counter guarantee dated March 19, 2013	National Housing Bank. *****	137.50	18.03.16	137.50
6.	Vijaya Bank	Deed of counter guarantee dated April 5, 2013	National Housing Bank. ******	125.00	07.04.16	-
7.	Indusind Bank	Deed of counter guarantee dated September 13, 2013	BSE Ltd.*******	45.10	12.08.14	-
8.	Axis Bank	Deed of Counter guarantee dated December 12, 2013	National Housing Bank. ********	125.00	12.12.16	-
		Total		**573.51**		**278.41**

* *This counter guarantee was extended against bank guarantee issued in favour of NSE towards 1% security deposit in respect of tax-free bonds issued during FY 2011-12.*

*** This counter guarantee was extended against bank guarantee issued in favour of Hindustan Aeronautics Limited as performance guarantee for design and consultancy services/ contracts for construction of type A, B, C, D quarters and allied services.*

**** This counter guarantee was extended against bank guarantee issued in favour of NSE towards 1% security deposit in respect of tax-free bonds issued during FY 2012-13*

***** This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund.*

****** This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of ₹ 750 crore (including refinance assistance of ₹ 250 crore obtained from National Housing Bank against which Bank guarantee has been obtained from Indusind Bank) availed under Rural Housing fund.*

******* This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund.*

******** This counter guarantee was extended against bank guarantee issued in favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2013-14*

********* This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund.*

2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case, HUDCO is only working as an agent. As such, liability (if any) whenever ascertained / finalised shall be passed on to Govt. of India and met out of AGP project account, being maintained separately.

(b) The company has undertaken Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Affairs & Employment, MoUA&E (now Ministry of Urban Development, MoUD) in the year 1989-90. Vide minutes dated 7.9.1995, MoUA&E has agreed to pay interest @ 17% p.a. on the expenditure incurred on the Andrews Ganj Project along with 1.5% administrative charges. As per Perpetual Lease Deed dated 4.7.1997, the company is liable to make available Net Resources from the development and disposal of properties of the project to the above Ministry and accordingly the company was crediting interest on Net Resources generated on the project upto 3.11.2004 and thereafter a separate No Lien account has been opened under the name of HUDCO AGP Account into which the surplus lying to their credit had been deposited and interest accrued / earned on No Lien Account is being credited to that account. Further, company's contention that it is working as an agent and as such total ownership rights and responsibilities are of Government of India and there is no financial liability of the company has been upheld by the opinion of Shri GE Vahanvati as Solicitor General of India dated 12th April, 2005 and as Attorney General of India vide his opinion dated 19th August, 2009 wherein he has opined as under:-

"I am of the opinion that it is not open to the Ministry of Urban Development to contend that they had nothing to do with the development of Hotel Site or that HUDCO was not its agent. The protracted dispute between the two Ministries is leading to mounting interest which is being added to the amount of the decree. This is a matter which therefore, has to be resolved on a mutually acceptable basis and the Ministry of Urban Development should accept its liabilities as the land owner".

The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Keeping this in view, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them through above HUDCO AGP Account. As on 31.3.2014, this account has a debit balance of ₹ 271.27 crore, which represents amounts paid by HUDCO on behalf of government for the capital and revenue expenditures on above project over and above the recoveries to this account including the cumulative interest on excess of expenditure over recoveries of ₹ 58.12 crore upto 31.3.2014 at the rate of 10.75% per annum charged in accordance with HUDCO's Board decision in 459th meeting held on 24.8.2009 on the aforesaid excess payment made by HUDCO, which is recoverable from the above Ministry. The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings. However, no specific denial/confirmation from the Ministry has yet been received. The company, in its aforesaid capacity of agent to the Government of India, is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 271.27 crore. HUDCO is raising its demands from time to time to MoUD. The detail of ₹ 271.27 crore is given hereunder:

S. No.	Particulars of Items of Andrews Ganj Project	Balance as on 31.03.2014 (₹ in lac)	Amount appearing in which Note of the Balance Sheet
g	Amount Recoverable from MoUD (Current Assets) GL 784105	**20,060.21**	Note No.17 - D (iv)(b)
h	Closing balance WIP (Current Assets) GL 741101	1,933.72	Note No.17- F (i)
i	Amount Due Recoverable from Contractor (Current Assets) GL 782101	1,420.74	Included in the amount shown against Note No.17 - D(iv)(a)
j	Recovery Other (Current Assets) 782191	3,746.61	Included in the amount shown against Note No.17 - D(iv)(g)
	Total (a to d) A	**27,161.28**	
k	Amount payable to contractor (current Liabilities) GL 811101	30.59	Included in amount showing against Note -10(D)
l	TDS payable (current Liabilities) GL 819270	0.76	Included in amount showing against Note -10(D)
m	VAT/WCT payable (current Liabilities) GL 819272	0.01	Included in amount showing against Note -10(N)
n	Maintenance Fund (current Liabilities) GL 811115	2.50	Included in amount showing against Note -10(N)
o	Cess Payable (current Liabilities) GL 819277	0.04	Included in amount showing against Note -10(N)
p	**Total (e to j) B**	**33.90**	
	Surplus/ (Deficit) available as on 31.03.2014 **DEFICIT (A – B)**	**(27,127.38)**	

In line with the provisions of perpetual lease deed executed between HUDCO and MoUD, HUDCO is regularly requesting MoUD to takeover the Andrews Ganj Project alongwith assets & liabilities after making payment to HUDCO of the amount spent/ being spent by HUDCO on meeting the liabilities of Andrews Ganj Project with interest and overhead charges. In view of persistent request of HUDCO, several meetings (recent meetings on 01.01.2014, 19.03.2014) were held under the chairmanship of Secretary, UD wherein the possibilities were explored by MoUD to take over the project from HUDCO and handing over the same to NBCC for further implementation & payments of the due amount to HUDCO which has been spent by HUDCO on implementing the project as agent of MOUD. Action on the same is still awaited.

(f) An amount of ₹ 17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 2.7.1990 to 4.7.1997, although there was no liability of payment of property tax on HUDCO since the property belongs to Union of India. The Hon'ble Supreme Court decided the case in favour of HUDCO as such, the entire amount along with interest is recoverable from MCD. Out of the above, an amount of ₹ 11.46 crore has been refunded by MCD on 3.10.2005 which has been adjusted against interest. As per opinion of Solicitor General of India no property tax is payable by HUDCO on the land owned by Government of India. Company filed contempt petition against MCD for recovery of balance amount from MCD after taking opinion of Additional Solicitor General of India.

The matter was last listed on 31.03.2014. Both the parties argued the matter. After hearing, the Hon'ble Supreme Court disposed off the contempt petition, granting liberty to HUDCO to pursue their remedy if the same is available under Law. The court has further stated that in view of the pendency of the Supreme Court proceedings till the date of Order, while considering limitation, the same may be taken note of. Further action will be taken as per legal opinion of the advocate. Accordingly, company has filed execution petition in Hon'ble Delhi High Court on 31.05.2014 against South Delhi Municipal Corporation (SDMC) earlier Municipal Corporation of Delhi (MCD) for recovery of balance amount as per opinion of dealing advocate and as approved by CMD, being the competent authority.

Further, SDMC, vide notice dated 24.12.2012 and 2.1.2013, has also raised the demand of service charges for the period from 2.7.1990 till 4.7.1997 and also property tax for the period from 4.7.1997 till 2.1.2013 from HUDCO amounting to ₹ 84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for the properties in possession by HUDCO on behalf of MoUD. The notice further stated that in case dues are not cleared then SMDC may proceed to attach the bank accounts of

HUDCO. As opined by the advocate dealing in the above contempt petition in Supreme Court, HUDCO has filed writ petition against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 84.28 crore raised by SDMC and claimed from HUDCO on Andrews Ganj property on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 4.7.1997).

The matter was listed on 28.1.2013 and 31.1.2013 in Delhi High Court. After hearing both parties, the Hon'ble High Court stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹ 7 crore with SDMC, without prejudice to the rights and contentions of both the parties within four weeks of the order dated 31.1.2013. The amount of ₹ 7 crore has since been deposited on 26.2.2013 with SDMC. Now the matter is listed on 10.10.2014 before High Court for filing of counter affidavit by Union of India and rejoinder thereafter, if any, by the petitioner. SDMC has filed its reply.

(g) The company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments by MSSEL, the company cancelled the allotment of hotel site including car parking space and forfeited the first installment paid by MSSEL in terms of the allotment letter. The hotel site, including car parking space, was subsequently re-allotted to M/s. Leela Hotel Ltd. (LHL) now known as Hotel Leela Venture Ltd. However, MSSEL started litigation regarding hotel site, which is still continuing at the appellate stage in the court of Additional District Judge, Saket, New Delhi. Now, on the initiatives of MSSEL and MoUD, the matter has been referred to Delhi Mediation and Conciliation Centre, Delhi High Court for settlement. If mediation does not succeed, the case will be referred back to the Court of Additional District Judge, Saket, New Delhi.

Further, the allotment in favour of LHL was also cancelled due to non-payment of 3rd and final installment by LHL on 12.7.1999. As per terms of allotment, 50 percent of the amount deposited by LHL was forfeited and balance amount of ₹ 67.53 crore was refunded to LHL after adjusting the overdue ground rent and property tax dues. Against this cancellation, LHL sought arbitration, wherein the Learned Arbitrator has passed an award directing the company to refund the amount forfeited along with interest to LHL. Appeals and execution appeals went to the Hon'ble Supreme Court level and finally litigation has ended in favour of Leela Hotel Limited. In accordance with the Hon'ble Delhi High Court order, HUDCO paid the balance amount of ₹ 13.79 crore as full & final payment to LHL on 06.06.2013.

(h) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi.

The matter was listed on 2.7.2012. The counsel for MSSEL submitted in Court that in the year 2011, MSSEL had submitted a proposal to Union of India / Ministry for an out of court settlement, which is stated to be under consideration. The High Court vide order dated 8.11.2012, without prejudice to respective rights and contentions of the parties in dispute, has referred the case to Delhi Mediation and Conciliation Centre on the initiative of MS Shoes and consent of Ministry of Urban Development (MoUD) during course of hearing, Deputy L&DO attended the Court proceedings in person on 8.11.2012. If mediation does not succeed the case will be referred back to the High Court. The matter is listed on 07/07/2014 before mediator and before the court on 17/07/2014 for further direction.

MoUD vide its letter dated 14th May 2013 has requested HUDCO to furnish the account statement in the matter of out of court settlement with MS Shoes. Accordingly, HUDCO, vide letter dated 23rd May 2013, has furnished the statement of account and also requested for reimbursement of amount spent by HUDCO out of its own fund for meeting the liability of Andrewsganj Project. Further, MoUD vide another letter dated 25th May 2013, has requested HUDCO for its NOC for out of court settlement by MoUD with MS Shoes. In reply of the same, in accordance with the decision taken by the HUDCO Board, HUDCO issued NOC subject to the conditions that the amount spent / being spent by HUDCO towards the liability of Andrews Ganj Project shall be reimbursed to HUDCO and the same may be mentioned in the settlement agreement between MoUD and MS Shoes. HUDCO also stated that the payment, if any, by MSSEL be routed through HUDCO.

(g) The arbitrator has passed an award in respect of various claims by M/s. Ansal Properties and Industries Ltd. (APIL) with respect to issues related to external electrification, provision of scrubber, refund of interest etc. allotment of site in Shopping Arcade to APIL on 28.7.2005 in favour of APIL directing HUDCO to pay ₹ 8.84 crore and further interest @18% p.a. from 1.8.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately ₹ 0.85 crore of maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 1.1.2001 upto 31.7.2005 within 3 months from the date of award failing which, APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court, out of HUDCO AGP Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. After expiry of Bank Guarantee, APIL requested Court to accept the security of immovable properties, which was allowed by the Court. Accordingly, APIL submitted documents of immovable properties in the Court. However, documents submitted by APIL are not acceptable to company. The company moved an application in Court for restoring security of Bank Guarantee as earlier provided by APIL. Now, the case is listed on 07.07.2014 before Registrar General, High Court for hearing.

APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.7.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f. from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.5.2012 has set aside the arbitration award dated 21.7.2006 and has further held that APIL was liable to pay ground rent to HUDCO from date of possession of shopping arcade i.e. November, 1995.

Now APIL filed an appeal against the abovementioned order before Division Bench of High Court, Delhi. Division bench pronounced the order on 24.1.2013, allowing APIL appeal and upheld the Arbitrators award. HUDCO has filed SLP on 10.05.2013 before Supreme Court challenging the order dated 24.1.2013 of Division Bench, High Court. The SLP is likely to be listed in due course after summer vacations of 2014.

3) (a) The company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. Confirmation of balances covering approximately 87.37**%** (previous year 82%) in value of the total project loan outstanding have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.

(b) The provision on loans as per NHB norms has increased by ₹ 167.85 crore (previous year ₹ 67.99 crore) during the year which stood at ₹ 1,213.81 crore (previous year ₹ 1,045.96 crore) as on 31.03.2014. The total NPA provision made by company is ₹ 1,433.81 crore as on 31.3.2014 (against ₹ 1,425.96 crore as on 31.3.2013).

The company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood at ₹ 220 crore on 31.3.2014 (Previous Year ₹ 380 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 company, during the year, has used a sum of ₹ 160 crore out of the excess provision of ₹ 380 crore held in the previous year as on 31.3.2013.

4) Loans granted by the company directly to individuals and bulk loans under HUDCO Niwas Scheme are secured fully/partly by :

(i) Equitable Mortgage of the property and /or

(iv) Undertaking to create security through execution of Tripartite Agreement between the company, borrower and the Developing Authority / Developer ;

(v) Government Guarantee, First charge on the assets of the housing finance company or First Pari-Passu charge on the outstanding loans, Escrow mechanism, postdated cheques or ECS, First Pari-Passu charge on immovable property, Undertakings, Demand promissory note and Irrevocable Power of Attorney in favour of HUDCO.

In addition to (i) and (ii) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained.

5) **Utilization of Issue proceeds - Public Issue of Tax-free bonds:**

The company issued tax free bonds worth ₹ 4796.32 crore (₹ 2370.00 crore under Tranche-I allotted on 25.10.2013, ₹ 2153.39 crore under Tranche-II allotted on 13.01.2014 and ₹ 272.93 crore under Tranche-III allotted on 24.03.2014) through Public Issue.

As per the Shelf/Tranche prospectus, the funds proposed to be raised through the Issue could be utilized towards lending purposes, working capital requirements, augmenting the resource base of the company and other operational requirements (including debt servicing). However, subscription monies received from FIIs, eligible NRIs (and other non-resident applicants across all categories) through the Issue were not allowed to be utilized for any lending purposes in terms of the FEMA Borrowing Regulations, and were to be utilized for the following purposes:

(a) Debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by our company in the past and currently outstanding in its books of accounts, including loans, market borrowings (which include our non-convertible bonds/ debentures);

(b) Statutory payments;

(c) Establishment and administrative expenses; and

(d) Other working capital requirements of our company.

The above FEMA Borrowing Regulations have been amended vide RBI's circular (A.P. (DIR Series) Circular no. 81) dated December 24, 2013 vide which the resident entities authorised by the Govt. of India to issue tax-free, secured, redeemable, non-convertible bonds in rupees to persons resident outside India, have been permitted to use such borrowed funds for the following purposes:

(a) On-lending/ re-lending to the infrastructure sector; and

(b) Keeping in fixed deposits with Indian banks pending utilization for permissible end uses.

The detail of public issue of secured Tax Free Bonds and utilisation of the issue proceeds are as under:

(₹ in crore)

		Resident	**FIIs, Eligible NRIs and other non-resident Applicants across all Categories**	**Total**
1.	Total subscription monies (Tranche-I)	2344.9610	25.0395	2370.0005
2.	Total subscription monies (Tranche-II)	2125.4822	27.9106	2153.3928
3.	Total subscription monies (Tranche-III)	267.2480	5.6757	272.9237
	Grand Total (1+2+3)	**4737.6912**	**58.6258**	**4796.3170**
4.	Utilized towards lending purposes, working capital requirements, augmenting the resource base of our company and other operational requirements	4737.6912	-	4737.6912
5.	Utilized towards Debt servicing, Statutory payments, Establishment and administrative expenses and Other working capital requirements of our company.	-	58.6258	58.6258
	Grand Total (4 + 5)	**4737.6912**	**58.6258**	**4796.3170**

6) The company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:

(d) The company pays fixed contribution of provident fund at a predetermined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the company to guarantee the payment of interest at rates notified by the Central Government from time to time. The fair value of the assets of the provident fund as at 31.3.2014 is higher than the obligation under the defined contribution plan. Accordingly, on the basis of actuarial valuation of provident fund, the provision made in the previous year has been reversed by ₹ 4.12 crore at the end of the year as on 31.3.2014.

(e) The company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the payment of Gratuity Act, 1972. The scheme is funded by the company and is managed by a separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation as at the year end.

(f) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

	Gratuity		Leave Encashment				Post Retirement Medical Benefits	
			EL		HPL			
	2013-14	2012-13	2013-14	2012-13	2013-14 **	2012-13	2013-14	2012-13
1. Component of Employer Expenses								
a. Current Service Cost	1.31	1.43	2.30	1.23	0.51	0.71	3.10	2.29
b. Interest Cost	2.45	2.37	1.37	1.51	0.86	0.77	7.11	5.11
c. Past Service Cost	-	-	-	-	-	-	-	-
d. Unrecognized Past service cost	-	-	-	-	-	-	-	-
e. Expected return on plan assets	(3.51)	(3.29)	NA	NA	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	2.52	4.89	2.65	2.75	(7.51)	0.59	(1.16)	12.44
g. Recognised in the Statement of Profit & Loss.	2.77	5.40	6.32	5.49	(6.14)	2.08	9.04	19.83
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2014								
a. Present value of Obligation as at 31.3.2014	34.70	32.27	18.16	22.26	4.45	10.92	96.32	89.41
b. Fair Value of plan assets as at 31.3.2014	40.23	34.51	NA	NA	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(5.53)*	(2.24)*	18.16	22.26	4.45	10.92	96.32	89.41
3. Change in present value of obligation as on 31.3.2014								
Present Value of obligation as at 31.3.2013	32.27	28.58	22.26	18.53	10.92	9.40	89.41	71.84
Current service cost	1.31	1.43	2.30	1.23	0.51	0.71	3.10	2.29
Interest Cost	2.45	2.37	1.37	1.51	0.86	0.78	7.11	5.11
Past Service Cost	-	-	-	-	-	-	-	-
Unrecognized Past service cost	-	-	-	-	-	-	-	-
Actuarial (Gain) / Loss	2.45	(1.82)	2.65	2.75	(7.51)	0.59	(1.16)	12.44
Benefits Paid	(3.78)	(1.93)	(10.42)	(1.76)	(0.33)	(0.57)	(2.14)	(2.26)
Present Value of obligation as at 31.3.2014	34.70	32.27	18.16	22.26	4.45	10.92	96.32	89.41
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.3.2013	34.51	35.04	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	3.51	3.29	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual company Contribution	1.25	1.18	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(2.34)	(1.93)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	3.30	(3.07)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2014	40.23	34.51	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	6.81	0.23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions								
Discount Rate (p.a.) (%)	9.10	8.05	9.10	8.05	9.10	8.05	9.10	8.05
Expected rate of returns on plan assets (p.a.) (%)	9.40	9.40	N.A.	9.40	N.A.	9.40	N.A.	N.A.
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6. Details of the Plan Assets at cost as on 31.3.2014								
Government of India Securities, Corporate Bonds etc.	-	-						
Gratuity Fund Managed by Insurer	100%	100%						

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

* The Assets of ₹ 5.53 crore (previous year ₹ 2.24 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.3.2014.

** The company has discontinued the encashment of Half-Pay Leave (HPL) during the service period of employee, the provision created for the encashment of the HPL has been reworked as per revised AS -15.

8) (i) National Housing Bank's credit concentration norms states that a Housing Finance company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.13, investment of a Housing Finance company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee company.

(ii) NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 has given relaxation from credit concentration norms which is reproduced as under:

"The Bank, after taking into consideration the role envisaged for HUDCO by the Ministry of Urban Development, in terms of the MOU signed between HUDCO and the Ministry, decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders, private parties and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply."

(iii) Towards effective implementation of the above relaxation and for appropriate reporting, the Board of Directors of HUDCO in its meeting No.498 held on 19.3.2012 approved the categorization of projects as housing and housing related infrastructure and others.

(iv) The company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies, the said norms have been relaxed for HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 as stated above and these have been complied, except in 1 case viz. investment in the Equity Shares of another HFC (Indbank Housing Ltd.).

In respect of investment in the Equity Shares of another HFC viz., Indbank Housing Ltd., HUDCO had invested ₹ 2.50 crore in the Equity Shares of the Indbank Housing Ltd., whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity, which is higher than the present NHB norms, since investment was made around 20 years back. Further, in principle approval for merger of Indbank Housing Ltd. in Indian Bank has been accorded by HUDCO's Board in its 495th meeting held on 20.01.2012. The matter is yet to be finally concluded alongwith swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

9) **Valuation of investment**

a. The company had invested in 25 lac equity shares, amounting to ₹ 2.50 crore, of the Indbank Housing Ltd. around 20 years back as strategic investor. As the said investment is strategic in nature, hence, there are no plans of disposing off the stake in near future. Considering the fact that Indbank Housing Ltd. has highly negative Net Worth even though market price of the share as on 31.03.2014 is ₹ 5.99 per share, Hudco continues to reflect the strategic investment of ₹ 2.50 crore in Indbank Housing Ltd. at diminished value of ₹ 1 only (since the FY 2006-07) as on 31.03.14. Moreover, merger of Indbank Housing Ltd. in Indian Bank is also under process and the swap ratio and other modalities are yet to be worked out.

b. The company had invested in 1 lac equity shares, amounting to ₹ 0.10 crore, in the Sri K.P.R. Industries Ltd. (formerly, Bhagyanagar Wood Plast Ltd.) around 20 years back. Considering the fact that Sri K.P.R. Industries Ltd. had highly negative Net Worth during its past years, HUDCO had made a provision of ₹ 0.03 crore accordingly in previous years. The company has not revised the provision (written back) on account of its low volume of transactions in the Stock exchange, even though market price of the share as on 31.03.2014 is ₹ 18.55 per share.

10) The Board in its 517th meeting held on 07.06.2013 accorded approval to the proposal to subscribe upto ₹ 50 crore to the units of Infrastructure Debt Fund (IDF) launched by IIFCL through mutual fund in "regular dividend payout" option. HUDCO invested ₹ 50 crore on February 5th, 2014 in IDF series-1 in the "regular dividend payout" option.

Further, it came to the notice of HUDCO that IAMCL has invested HUDCO's money in the "growth fund" option and not in "regular dividend pay-out" option. The matter was taken up with IAMCL. IAMCL informed vide their letter dated 09.04.2014 and 13.05.2014 that there was some confusion and miscommunication and have regretted the inconvenience caused to HUDCO on this account. However, considering the advantages in the Growth Fund option and HUDCO being one of the pioneers in setting up country's first Govt, backed IDF, they have requested HUDCO to remain invested in the scheme at present in the growth fund option. Accordingly, the matter has been put-up to the HUDCO's Board seeking their approval for the investment in "Growth Fund" option.

11) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.

12) The company has not received information from vendors / suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.

13) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 "Segment Reporting" since the main business of the company is to provide finance for Housing / Infrastructure projects and all other activities of the company revolve around the main business.

14) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is complied with. In the opinion of management, there is no impairment of assets during the year.

15) The company makes full provision on doubtful debtors / receivables and advances which are outstanding for more than three years.

16) The company has proposed final dividend of ₹ 100.01 crore at the rate of ₹ 49.96 per share of ₹ 1,000 each, which is payable to Government of India, subject to approval of same by shareholders in the ensuing annual general meeting.

17) The company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as office rent under Note No. 22 of the Statement of Profit & Loss. Further, there is no financial lease as company's leasing arrangements does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

18) **Details of Expenditure / Earnings in foreign currency :**

(₹ in crore)

Particulars	**2013-2014**	**2012-2013**
Expenditure		
a) Traveling & Entertainment	0.21	0.23
b) Others	0.01	0.00
c) Interest on foreign loan	6.89	8.69
Total Expenditure	**7.11**	**8.92**
Earnings		
a) Interest on foreign deposit	1.73	2.28

19) **Earnings Per Share:**

Particulars		Year ended 31.3.2014	Year ended 31.3.2013
Net Profit for the year attributable to equity shareholders (₹ in crore)	(a)	726.34	700.56
Weighted Average number of Equity Shares	(b)	2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of ₹ 1000/- each (₹)	(a / b)	362.83	349.95

20) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

(1) HOUSING FINANCE BUSINESS:

Loans : **(₹ in crore)**

Assets Classification	Principal outstanding *		Provision As per Norms *		Additional provision	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013	2013-2014	2012-2013
Standard (considered good) - *Secured*	7,460.15	5,882.44	37.39	38.77		
Sub-standard Assets – *Secured*	57.74	23.57	8.66	3.54		
Doubtful Assets						
Secured	315.18	327.86	293.29	299.97		
Unsecured	11.26	14.59	11.26	14.59		
Total Doubtful Assets	326.44	342.45	304.55	314.56	40.00	20.00
Loss Assets						
Secured	1.73	1.72	1.73	1.72		
Unsecured	28.80	28.88	28.80	28.88		
Total Loss Assets	30.53	30.60	30.53	30.60		
Total	7,874.86	6,279.06	381.13	387.47	40.00	20.00

(2) NON HOUSING FINANCE BUSINESS:

Loans : **(₹ in crore)**

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013	2013-2014	2012-2013
Standard (considered good) - *Secured*	19,851.48	18,540.42	88.86	83.88		
Sub-standard Assets – *Secured*	622.89	102.46	93.43	15.37		
Doubtful Assets						
Secured	980.23	955.64	638.03	500.30	180.00	360.00
Unsecured	8.59	55.17	8.59	55.17		
Total Doubtful Assets	988.82	1,010.81	646.62	555.47		
Loss Assets - *Unsecured*	3.77	3.77	3.77	3.77		
Total	21,466.96	19,657.46	832.68	658.49	180.00	360.00
Grand Total (1) + (2)	29,341.82	25,936.52	1213.81	1,045.96	220.00	380.00

(3) Investments: (₹ in crore)

Particulars	Principal outstanding		Provision As per Norms	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Equity Shares	34.87	14.97	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Infrastructure Debt Fund	50.00	-	-	-
Bonds	670.00	670.00	-	-
Total	757.27	687.37	3.39	3.39

* The principal outstanding and cumulative provision is excluding KFW Loans

21) As per DPE letter dated 21.1.2013, the Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

22) **Related parties Disclosure :**

(a) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) MCM Infrastructure Pvt. Ltd.

(4) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year 2013-2014 :

Sl. No.	Director(s)	Status
1.	Shri V P Baligar	Chairman & Managing Director (Whole time Director) (from 11.4.2011)
2.	Shri N. L. Manjoka	Director Corporate Planning (Whole time Director) (from 11.04.2013)
3.	Shri Anil Kumar Kaushik	Director Finance (Whole time Director) (from 30.05.2013)

(c) Transactions with Joint Ventures:

(i) Investment in Joint Venture

(₹ in crore)

Proportion of ownership	40%	26%			
Nature of Transactions	**Shristi Urban Infrastructure Development Ltd.**	**Pragati Social Infrastructure & Development Ltd.**	**MCM Infrastructure Pvt. Ltd.**	**Signa Infrastructure India Ltd.**	**Total**
Investments					
Balance as at 31.3.2013	2.00	0.13	0.26	0.013	2.403
Additions during the year	-	-	-	-	-
Balance as at 31.3.2014	2.00	0.13	0.26	0.013	2.403

(ii) Loans to Joint Venture

(₹ in crore)

Nature of Transactions	Shristi Urban Infrastructure Development Ltd.
Loans (Scheme No.19125) to Shristi Udaipur Hotels Pvt. Ltd., a Subsidiary Company of Shristi Urban Infra Dev. Ltd.	
Balance as at 31.3.2013	7.00
Repayments during the year	1.11
Balance as at 31.3.2014	5.89

(d) Transactions with Key Management Personnel:

Shri N. L. Manjoka, DCP has taken a vehicle loan of ₹ 0.03 crore (interest bearing) from the company in January 2014, in the ordinary course of business. The service of providing such loans is extended by the company to all of its employees. The balance outstanding as on 31.03.2014 is ₹ 0.04 crore (including interest accrued ₹ 0.01 crore (maximum outstanding is ₹ 0.04 crore during the year 2013-14).

(e) Managerial Remuneration :

(₹ in crore)

Particulars	Shri V P Baligar, CMD		Shri N. L. Manjoka, DCP		Shri Anil Kumar Kaushik, DF	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Salaries	0.18	0.17	0.18	-	0.16	-
Contribution to PF	-	-	0.02	-	0.02	-
Perquisites and other allowances	0.05	0.04	0.06	-	0.08	-
Total	0.23	0.21	0.26	-	0.26	-

23) **Information in relation to the interest of the company in Joint Ventures as required under AS – 27.**

(a) **Details of Joint Ventures**

Name of the company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership	Description of Interest
Shristi Urban Infrastructure Development Ltd.	2.000	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.130	India	26%	Jointly controlled entity
MCM Infrastructure Pvt. Ltd.	0.260	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.013	India	26%	Jointly controlled entity
Total	**2.403**			

(b) **Proportionate Assets & Liabilities:**

(₹ in lakhs)

	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd. *		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
Year ending	Un audited as at 31.3.2014	Audited as at 31.3.2013	Un audited as at 31.3.2014	Un audited as at 31.3.2013	Un audited as at 31.3.2014	Audited as at 31.3.2013	Un audited as at 31.3.2014	Audited as at 31.3.2013
Fixed Assets	0.48	0.65	Not available	Not available	-	-	0.04	0.05
Investments	120.00	120.00	Not available	Not available	-	-	-	-
Deferred Tax Assets	0.40	0.27	Not available	Not available	-	-	-	-
Current Assets, Loans and Advances	204.85	187.40	Not available	Not available	13.08	12.31	14.85	21.45
Statement of Profit & Loss (Debit Balance)	-	-	Not available	Not available	-	-	-	-
Share of Total Assets	329.88	312.20	Not available	Not available	13.08	12.31	14.89	21.50
Reserves & Surplus	13.22	13.10	Not available	Not available	-13.17	-13.94	9.09	9.18
Current Liabilities and Provisions	115.33	98.02	Not available	Not available	0.25	0.25	4.49	11.01
Loans Funds	1.33	1.07	Not available	Not available	-	-	-	-
Deferred Tax Liabilities	-	-	Not available	Not available	-	-	-	0.01
Share of Total Liabilities (excluding Reserves & Surplus)	116.66	99.09	Not available	Not available	0.25	0.25	4.49	11.02
Operations Income	73.97	60.60	Not available	Not available	-	-	2.71	7.81
Other Income	0.10	0.05	Not available	Not available	0.89	1.08	0.07	0.06
Total Income	74.07	60.65	Not available	Not available	0.89	1.08	2.78	7.87
Share of Expenses	73.96	60.41	Not available	Not available	0.12	0.28	2.57	7.33
HUDCO's share in contingent liability of JV Co.	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Contingent liability for jointly controlled company incurred by HUDCO	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Capital Commitment	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available

*** Case filed before company Law Board, Kolkata Law Bench on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 397 and 398 (Prevention of Oppression and Mismanagement) of Companies Act, 1956, therefore the company has not provided unaudited / audited accounts for the year 2012-2013 & 2013-2014 and also not available at MCA site.**

24) (a) The company has formulated a Corporate Social Responsibility (CSR) policy in line with the guidelines issued by Department of Public Enterprise (DPE) vide Office Memorandum (OM) F. No. 15(3)/2007-DPE(GM)-GL-99 dated 9.4.2010. The company also had Sustainable Development (SD) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE(MoU) dated 20.9.2011.

DPE, however, vide its Office Memorandum No. F.No.15(7)/2012-DPE(GM)-GL-104 dated 12/04/2013 has issued new guidelines on CSR and Sustainability for Central Public Sector Enterprises effective from 01/04/2013, wherein, CSR and Sustainable Development (SD) have been clubbed together along-with certain other changes. In view of the revised DPE guidelines, HUDCO's Board in its 519th meeting held on 31/07/2013, has approved the revised CSR and Sustainability policy. HUDCO's Board also approved allocation for CSR and Sustainability budget for the FY 2013-14, equivalent to 1.5% of the Profit after Tax (PAT) of ₹ 700.56 crore for the previous FY 2012-13. HUDCO, accordingly, in terms with the new guidelines, has made a provision of ₹ 10.51 crore, being 1.5% of the PAT of ₹ 700.56 crore for the previous FY 2012-13.

Further, as per the new guidelines, the budget allocated for each FY has to be spent within that year and endeavor should be made to spent the unutilised budget of any year within next two financial years. Thereafter the unspent amount has to be transferred to "Sustainability Fund" to be used for CSR and Sustainability activities.

Since, as per the revised guidelines, there is defined time limit for utilizing the CSR and Sustainability budget, the company has charged the CSR & SD budget to Statement of Profit and Loss during the FY 2013-14 and has created a provision for the same. The company has also reversed the opening balance of the CSR & SD Reserve amounting to ₹ 20.29 crore created by it in earlier years and has charged the same to Statement of Profit and Loss (through prior period) by creating a provision for the similar amount. The change has resulted in decrease in Profit before tax for the year by ₹ 20.29 crore.

During the FY 2013-14, HUDCO has incurred an expenditure of ₹ 8.29 crore on CSR & Sustainability out of the opening balance of CSR & SD provision of ₹ 20.29 crore. HUDCO has also incurred an expenditure of ₹ 4.21 crore on CSR & Sustainability out of the provision of ₹ 10.51 crore created for the FY 2013-14. The balance unutilised amount of ₹ 18.30 crore as on 31.03.2014 has been carried forward for being utilised in subsequent years.

As per HUDCO's approved CSR Policy, 1st installment of CSR Assistance is released on completion of documentation and the subsequent installments are released on receipt of utilization certificate and after achieving physical/financial progress in the proposal. There has been a couple of cases where even after sanction of CSR and Sustainability Fund by HUDCO, documentation formalities were not completed by the agencies and therefore the 1st installment could not be released, as envisaged. In some of the cases, the agencies concerned could not achieve required physical/ financial progress and the utilisation certificate for the CSR assistance released was not submitted by agencies, resulting in delay in releasing of further installments by HUDCO.

(b) The company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE(MoU) dated 20.9.2011.

As per the R&D guidelines of DPE, a minimum of 0.5% of PAT of the previous year has to be allocated for R&D projects / activities. HUDCO, accordingly, in line with the guidelines, approved allocation for R&D for the FY 2013-14, equivalent to 0.5% of the profit after tax (PAT) of ₹ 700.56 crore for the previous FY 2012-13. HUDCO, accordingly, in compliance of the guidelines, has made a provision of ₹ 3.50 crore, being 0.5% of the PAT of ₹ 700.56 crore for the previous FY 2012-13.

The company, in line with the new CSR policy, has charged the R&D budget to Statement of Profit & Loss during the FY 2013-14 and has created a provision for the same. The company has also reversed the opening balance of R&D Reserve amounting to ₹ 0.0002 crore created by it in earlier years and has charged the same to the Statement of Profit and Loss (through prior period) by creating provision for the similar amount. The change has resulted in decrease in Profit before tax for the year by ₹ 0.0002 crore.

During the FY 2013-14, HUDCO has incurred an expenditure equivalent to the provision of ₹ 3.50 crore created on R&D budget during the FY 2013-14 and the opening balance of ₹ 0.0002 crore has been transferred to the provision of R&D budget.

25) **Additional Disclosure requirement as per NHB Directions**

(a) **Capital to Risk Assets Ratio (CRAR)**

Particulars		**31.3.2014**	**31.3.2013**
i)	CRAR (%)	27.85	23.24
ii)	CRAR - Tier I capital (%)	27.85	23.24
iii)	CRAR - Tier II Capital (%)	-	-

(b) Exposure to Real Estate Sector

(₹ in crore)

		Category	2013-2014	2012-2013
a)	**Direct exposure**			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than ₹15 lakh)	32.42	27.04
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh)	156.88	189.67
		Total	189.30	216.71
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	1825.38	1998.22
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	-	-
		(a) Residential	-	-
		(b) Commercial Real Estate	-	-
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		277.10	-

(c) Asset Liability Management

Maturity pattern of certain items of assets and liabilities as on 31.3.2014:

(₹ in crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	498.01	378.00	62.41	275.07	325.22	378.55	19.77	22.36	18.67	-	1978.06
Market Borrowings	18.14	5.40	256.02	206.49	411.73	3556.92	1878.55	408.34	5162.82	7422.28	19326.69
Assets											
Advances	90.55	637.44	177.84	899.44	1892.27	7987.87	6099.46	4267.85	4167.70	1813.74	28034.16
Investments	-	-	-	-	-	200.00	200.00	270.00	-	83.88	753.88

26) (a) Figures of the previous year have been regrouped/ rearranged/ recasted wherever considered necessary to make them comparable with figures for current year.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

NOTE 25 : EXPLANATORY NOTES

1) Contingent Liabilities & other commitments not provided for and counter guarantees issued by Company :

(a) Contingent Liabilities:

			(₹ in crore)
		2012-2013	**2011-2012**
i.	Claims of Contractors not acknowledged as debts	0.72	5.69
	Counter claims of the Company	0.63	0.63
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.3.2013 of ₹ 245.38 crore (previous year ₹ 245.38 crore) under protest	481.04	272.96
iv.	Disputed Service tax demands against which Company has gone in appeal. The Company has paid a cumulative amount upto 31.3.2013 of ₹ 2.49 crore (previous year ₹ 2.49 crore) under protest	5.77	4.56

(b) Capital commitments not provided for:

			(₹ in crore)
		2012-2013	**2011-2012**
i.	Estimated amount of commitments remaining to be executed on capital account	26.03	31.51
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	0.62	1.66

Note 25: (Contd.)

(c) Counter guarantees issued by the Company :

Lender in whose favour the guarantee is extended	**Guarantee documentation**	**Name of counter party**	**Amount of guarantee (₹ in crore)**	**Validity Date**
HDFC Bank	Deed of counter guarantee dated 22.1.2013	National Stock Exchange Ltd.*	43.85	23.7.2013
Bank of Baroda	Deed of counter guarantee dated 2.11.2012	Hindustan Aeronautics Ltd. **	0.06	21.4.2015
Axis Bank	Deed of counter guarantee dated 1.1.2013	National Stock Exchange Ltd. ***	47.00	6.1.2014
Indus Ind Bank	Deed of counter guarantee dated 15.3.2013	National **** Housing Bank	50.00	18.3.2016
Bank of Baroda	Deed of counter guarantee dated 19.1.2013	National **** Housing Bank	137.50	18.3.2016

** This counter guarantee was extended against bank guarantee issued in favour of National Stock Exchange (NSE) towards 1% security deposit in respect of tax-free bonds issued during financial year 2011-12.*

***This counter guarantee was extended against bank guarantee issued in favour of Hindustan Aeronautics Limited, Bangalore as performance guarantee for design, consultancy and allied services.*

**** This counter guarantee was extended against bank guarantee issued in favour of NSE towards 1% security deposit in respect of tax-free bonds issued during financial year 2012-13.*

***** This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility under Rural Housing fund.*

2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case HUDCO is only working as an agent. As such, liability whenever ascertained / finalised shall be met out of AGP project surplus fund account, being maintained separately.

Note 25: (Contd.)

(b) The Company has undertaken Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Affairs & Employment, MoUA&E (now Ministry of Urban Development, MoUD) in year 1989-90, vide minutes dated 7.9.1995, MoUA&E has agreed to pay interest @ 17% p.a. on the expenditure incurred on the Andrews Ganj Project along with 1.5% administrative charges. As per Perpetual Lease Deed dated 4.7.1997, the Company is liable to make available Net Resources from the development and disposal of properties of the project to the above Ministry and accordingly the Company was crediting interest on Net Resources generated on the project upto 3.11.2004 and thereafter a separate No Lien account has been opened under the name of HUDCO AGP Surplus Account into which the surplus lying to their credit had been deposited and interest accrued / earned on No Lien Account is being credited to that account. MoUD has intimated in 2001 that the Company cannot pass on the financial liability to the Government on account of disputes with allottees at community centre properties. However, the Company represented that as per Perpetual Lease Deed, the Company is liable to make available "Net Resources Generated" from the development and disposal of properties of the project to the Ministry which means that all out-goings on the project including those on litigation & arbitration expenses and award / decree etc., in respect of disputes together with HUDCO's administrative expenses and interest on amount spent by HUDCO from its own fund have to be debited to this project because being an agent there is no financial liability of the Company. Company's above contention recognizing it only as an agent and as such total ownership rights and responsibilities are of Government of India and there is no financial liability of the Company has been upheld by the opinion of Shri GE Vahanvati as Solicitor General of India dated 12th April, 2005 and as Attorney General of India vide his opinion dated 19th August, 2009 wherein he has opined as under:-

"I am of the opinion that it is not open to the Ministry of Urban Development to contend that they had nothing to do with the development of Hotel Site or that HUDCO was not its agent. The protracted dispute between the two Ministries is leading to mounting interest which is being added to the amount of the decree. This is a matter which therefore, has to be resolved on a mutually acceptable basis and the Ministry of Urban Development should accept its liabilities as the land owner".

The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Keeping in view this, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them through above HUDCO AGP Surplus Account. As on 31.3.2013, this account has a debit balance of ₹ 233.71 crore which represents amounts paid by HUDCO on behalf

Note 25: (Contd.)

of government for the capital and revenue expenditures on above project over and above the recoveries to this account and the cumulative interest on excess of expenditure over recoveries of ₹ 35.59 crore upto 31.3.2013 at the rate of 10.75% per year charged with reference HUDCO's Board decision in 459th meeting held on 24.8.2009 on the aforesaid excess payment made by HUDCO, which is recoverable from the above Ministry. The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings, however, any specific denial/confirmation from the Ministry has not received yet. The Company in its aforesaid capacity of agent to the Government of India is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 233.71 crore. HUDCO is raising its demands from time to time from MoUD.

(c) An amount of ₹ 17.98 crore (50% of the total property tax claimed by Municipal Corporation of Delhi (MCD) was initially deposited by HUDCO with MCD on account of property tax of Andrews Ganj Project for the period from 2.7.1990 to 4.7.1997, although there was no liability of payment of property tax on HUDCO since the property belongs to Union of India. The Hon'ble Supreme Court decided the case in favour of HUDCO as such, the entire amount along with interest is recoverable from MCD. Out of the above an amount of ₹ 11.46 crore has been refunded by MCD on 3.10.2005 which has been adjusted against interest. No demand has been raised by MCD for payment of property tax for the period after 4.7.1997. As per opinion of Solicitor General of India no property tax is payable by HUDCO on the land owned by Government of India. Further, Contempt petition of HUDCO is pending against MCD in Supreme Court. MCD vide their counter affidavit has pleaded a set off of ₹ 27.92 crore towards payment of property tax beyond 4.7.1997 in their counter claims as against ₹ 25.06 crore (payable as on 30.6.2008) demanded by HUDCO. HUDCO has filed rejoinder affidavit to the counter affidavit filed by MCD.

The matter was last listed on 13.7.2011 on which the Hon'ble Supreme Court directed that both the parties being the statutory Government Organizations and as the dispute is pending in Court for more than a decade it is desirable to settle their dispute by way of an amicable negotiation at the earliest by officials at the higher level for which the court adjourned the matter.

Pursuant to the directions of the Hon'ble Court a joint meeting was held on 1.3.2012 which was attended by top managerial level officials of HUDCO and MCD. As decided in the meeting HUDCO vide its letter dated 6.3.2012 to MoUD sought directions of MoUD for making up to date payment of service charges, as payable by Government for other Government properties. The directions of MoUD in the matter are still

Note 25: (Contd.)

awaited, a reminder letter was sent on 14.6.2012 in order to expedite the decision of MoUD in the matter.

The issue of payment of property tax was also followed up by MCD with MOUD vide its letter dated 27.3.2012 for its directions to HUDCO to pay property tax (service charges) dues on Andrews Ganj Project to MCD. The matter was listed on 22.4.2013, however MCD moved an application for seeking adjournment, which was allowed by the court. Now the matter will be listed on 8.8.2013 in Supreme Court.

Further, South Delhi Municipal Corporation (SDMC) earlier Municipal Corporation of Delhi (MCD), vide notice dated 24.12.2012 and 2.1.2013 raised the demand of service charges for period from 2.7.1990 till 4.7.1997 and also property tax for the period from 4.7.1997 till 2.1.2013 from HUDCO amount to ₹ 84.28 crore including interest for the delayed payment @12% p.a. as per the provisions of Delhi Municipal Corporation Act, for the properties in possession by HUDCO on behalf of MoUD. The notice further stated, that in case dues are not cleared then SMDC may proceed to attach the bank accounts of HUDCO. As opined by the advocate dealing in the above contempt petition in Supreme Court, HUDCO has filed writ petition against SDMC and Union of India challenging the demand of property tax and service charges amounting to ₹ 84.28 crore raised by SDMC and claimed from HUDCO on Andrews Ganj property on the ground that HUDCO is the agent of Union of India (as inferred from lease deed dated 4.7.1997). The matter was listed on 28.1.2013 and 31.1.2013 in Delhi High Court. After hearing both parties, the Hon'ble Court has stayed the operation of the impugned demand of SDMC and directed HUDCO to deposit ₹ 7 crore with SDMC, without prejudice to the rights and contentions of both the parties within four weeks of the order dated 31.1.2013. The amount of ₹ 7 crore has since been deposited on 26.2.2013 with SDMC. Now the matter is listed on 25.9.2013 before High Court for filing of counter affidavit by Union of India and rejoinder thereafter, if any, by the petitioner. SDMC has filed its reply.

(d) The Company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments, the Company had cancelled the allotment of hotel site including car parking space and forfeited the first installment paid by MSSEL in terms of the allotment letter. The hotel site including car parking space was subsequently re-allotted to M/s. Leela Hotel Ltd. (LHL) now known as Hotel Leela Venture Ltd. However, MSSEL started litigation regarding hotel site which is still continuing at the appellate stage in the court of Additional District Judge, Saket, New Delhi. Now, on the initiatives of MSSEL and MoUD, the matter has been referred to Delhi Mediation and Conciliation Centre, Delhi High Court for settlement. If mediation does not succeed the case will be

Note 25: (Contd.)

referred back to the Court of Additional District Judge, Saket, New Delhi.

Further , the Allotment in favour of LHL was also cancelled due to non-payment of 3rd and final installment by LHL on 12.7.1999 as per terms of allotment, 50 percent of the amount deposited, by LHL was forfeited and balance amount of ₹ 67.53 crore was refunded to LHL after adjusting the overdue ground rent and property tax dues. LHL, against this cancellation, sought arbitration wherein the Learned Arbitrator has passed an award directing the Company to refund the amount forfeited along with interest. The award was upheld by the Single Bench of Hon'ble High Court of Delhi and the amount of ₹ 89.78 crore, being balance principal amount, was deposited by HUDCO in the Hon'ble High Court of Delhi as per Court directions. The payment was made out of AGP Surplus Account and has since been released by Hon'ble High Court of Delhi to LHL. The Company's appeal against the Order of Single Bench before the Double Bench of Hon'ble High Court of Delhi was also dismissed. The Company has filed SLP before the Hon'ble Supreme Court against the orders of Double Bench. The Hon'ble Supreme Court had admitted HUDCO's SLP and stayed the recovery of interest amount. However, the Hon'ble Supreme Court had directed the Company to deposit 50% of the balance decreed amount consisting of interest in the executing court i.e. Hon'ble High Court of Delhi. The Company had accordingly deposited ₹ 59.61 crore in the Hon'ble High Court of Delhi on 23.3.2006 out of HUDCO AGP Surplus Account and amount has been released by the High Court to Leela Hotels on furnishing of bank Guarantee on 12.10.2006. The case came up for final arguments on 12.2.2008 before Supreme Court of India. The Hon'ble Supreme Court of India upheld the award dated 25.6.2002 passed by the Justice R.S. Pathak (ex-Chief Justice of India) except for the interest for pre-award period which has now been reduced by Hon'ble Supreme Court of India from 20% p.a. to 18% p.a. and dismissed the SLP filed by HUDCO.

LHL filed execution petition No. 48 of 2006 before High Court of Delhi. HUDCO calculated the balance amount payable to LHL as ₹ 48.09 crore and filed an application before the Executing Court for the payment. The said amount has been paid to LHL as per Court Order on 12.5.2008. As per calculation of HUDCO, nothing was payable after the last payment of ₹ 48.09 crore. The amount paid by HUDCO was calculated by HUDCO by adjusting the amount first towards principal and then towards interest. However, LHL have calculated the amount payable by HUDCO after adjusting the payments first towards interest and then towards principal.

Note 25: (Contd.)

The issue of adjustment of amount paid by HUDCO came up for hearing before the Single Judge Bench of the High Court of Delhi (i.e. Executing Court) on 19.11.2008. High Court ordered that HUDCO should make the payment by adjusting the amount paid first towards interest then towards the principal and that HUDCO should make the payment as per calculation of decree holder (i.e. LHL).

HUDCO filed execution first appeal before the Division Bench of the High Court on 3.1.2009 against the Single Judge order dated 19.11.2008. In the meantime HUDCO deposited a sum of ₹ 50.54 crore debiting the amount to AGP Surplus Account with execution court to avoid future liability.

Division Bench vide its order dated 20.7.2009 expressed the view that calculation made by Leela Hotels Ltd. is not correct and allowed the appeal filed by HUDCO by upholding interalia, that amount of ₹ 89 crore paid by HUDCO be adjusted towards principal amount.

The amount claimed by Leela Hotels Ltd. as on 15.10.2009 even in terms of Division Bench order dated 20.7.2009 is ₹ 107.91 crore. Against the order of Division Bench, LHL filed an SLP before Supreme Court of India.

The Execution Court i.e. Delhi High Court vide its order dated 28.10.2009 had ordered that, the amount of ₹ 50.54 crore paid to the decree holder (LHL) as per order dated 15.5.2009 to be deposited by the decree holder in the Registry of this Court within a period of five weeks from 28.10.2009. Thereafter, this Court would consider the rival submissions advanced by both the parties including the issue of interest payable by the decree holder to the Judgment debtor (HUDCO) on the amount directed today to be refunded. As and when the said amount is deposited by the decree holder, the Registry is directed to make a short-term fixed deposit of 45 days.

After the Order of Executing Court dated 28.10.2009, M/s. LHL filed stay application in the Hon'ble Supreme Court on 6.11.2009. Application came up for hearing on 10.11.2009. After hearing both the parties, Hon'ble Supreme Court granted interim stay against the order of Division Bench of Delhi High Court.

Hon'ble Supreme Court delivered judgment on 15.11.2011 whereby it has allowed the SLP filed by LHL and set aside the Division Bench Order dated 20.7.2009 and the Order dated 19.11.2008 of the Ld. Single Judge which had directed HUDCO to make payment to Leela hotels as per their calculations, is restored. Thus HUDCO was required to make payment to Leela Hotels Ltd. as per order of Single Judge. Thereafter, Leela Hotels Ltd. has filed execution application in

Note 25: (Contd.)

the Delhi High Court for recovery of ₹ 154.41 crore alongwith further interest @ 15% p.a. till date of payment.

A Review Petition was filed by HUDCO before the Hon'ble Supreme Court of India on 15.12.2011 and the same has been dismissed thereafter. HUDCO has made a payment of ₹ 146.76 crore on 22.2.2012 to LHL debiting to AGP Surplus Account as per its calculation. Again, the matter was listed on 6.9.2012 and the Hon'ble court directed HUDCO to verify the calculations upto 15.9.2012 filed by LHL and make payment within one month to LHL.

Thereafter, taking the opinion of Additional Solicitor General & Sr. Advocate, HUDCO filed Execution First Appeal in Delhi High Court. The matter was listed on 17.10.2012 before Division Bench-I, High Court. After hearing both parties at length, the Hon'ble Court has stayed the order dated 6.9.2012 of Single Judge and reserved the order for pronouncements. Now the Hon,ble court has vide judgement dated 8.3.2013 has dismissed the appeal filed by HUDCO interalia holding therein that HUDCO was bound by the Award of post award interest on the pre award interest amount also. It has also held that the Award has become final and that it has the effect of a decree and hence it is not open to HUDCO to challenge the Award on the ground of grant of compound interest. Meanwhile, LHL has moved an application in Execution Court for payment of balance decretal amount of ₹ 13,71,85,926/- (as on 23.5.2013) with up to date interest by HUDCO. The matter was listed on 23.5.2013. After hearing both parties, the Hon'ble Court directed HUDCO to make the payment of balance decretal amount with interest within 5 weeks and thereafter LHL will furnish an undertaking that in case HUDCO succeeds in Supreme Court, LHL will refund the amount to HUDCO with 15% interest and with this order disposed of the Execution Petition. HUDCO is in the process of depositing the payment to High court, Delhi and also in the process of filing SLP in Supreme Court within the period of limitation

(e) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi. MSSEL has filed two applications seeking HUDCO to produce 324 original documents and L&DO to produce 209 documents. The reply has been filed by HUDCO along with application for framing of preliminary issues. MSSEL has filed the reply to the application filed by HUDCO. HUDCO has filed two

Note 25: (Contd.)

applications one for the vacation of stay and other for the rejection of plaint. The applications came up hearing on 24.5.2010 before Delhi high court whereby the application u/o. 39 R. 4, CPC was pressed for hearing for vacation / modification of the interim order dated 23.2.1998 operating against the parties. Court held that no cause of action has been made for altogether complete vacation of interim order. The earlier order passed in appeal dated 17.12.2003 ought to be enforced in so as it allows HUDCO to lease out the suit property. Court directed HUDCO to implement the said order and call out for application for leasing the suit property by publishing public notice. In terms of the order, the application u/o. 39 R.4 stands disposed off. Further, HUDCO is to file an affidavit in compliance of Order 11 Rule 12 seeking discovery and production of documents. Admission and denial of MSSEL documents have also been completed.

However, MSSEL has filed further documents for admission and denial by HUDCO. Meanwhile MS Shoes East Ltd. has filed four Interim Applications (IAs) viz. for day to day trial of the suit; for bringing on record the additional documents; for striking off the defence and the last one is regarding some discrepancy in exhibiting the earlier documents by HUDCO. Reply to the two applications regarding day to day trial and for bringing on record the additional documents have been filed by HUDCO in consultation with our dealing advocate. MSSEL is required to file rejoinder to the replies to HUDCO. Meanwhile, HUDCO has carried out the marking of exhibit of some documents which were left out. The IA for this purpose has been disposed off.

The matter was listed on 2.7.2012. The counsel for MSSEL submitted in Court that in the year 2011, MSSEL had submitted a proposal to Union of India / Ministry for an out of court settlement , which is stated to be under consideration . The High Court vide order dated 8.11.2012, without prejudice to respective rights and contentions of the parties in dispute, has referred the case to Delhi Mediation and Conciliation Centre on the initiative of MS Shoes and consent of Ministry of Urban Development (MoUD) during course of hearing, Deputy L&DO attended the Court proceedings in person on 8.11.2012. If mediation does not succeed the case will be referred back to the High Court. The matter is listed on 25.7.2013 before court for directions.

Now MoUD vide letter dated 14th May 2013 has requested HUDCO to furnish the account statement in the matter of out of court settlement with MS Shoes. According HUDCO vide letter dated 23rd May 2013, has furnished the statement of account and also requested for reimbursement of amount spent by HUDCO out of its own fund for meeting the liability of Andrewsganj Project. Further, MoUD vide another letter dated 25th May 2013 has requested HUDCO for its NOC for out of court settlement by MoUD with MS Shoes. In reply of the

Note 25: (Contd.)

same, in accordance with the decision taken by the HUDCO Board, HUDCO is in the process of issuing NOC subject to the conditions that the amount spent / being spent / will be spent by HUDCO towards the liability of Andrews Ganj Project including liability on account of Leela Hotel shall be reimbursed to HUDCO and the same may be mentioned in the settlement agreement between MoUD and MS Shoes and the settlement amount is deposited with HUDCO.

(f) The arbitrator has passed an award in respect of allotment of site in Shopping Arcade to M/s. Ansal Properties and Industries Ltd. (APIL) on 28.7.2005 in favour of APIL directing HUDCO to pay ₹ 8.84 crore and further interest @18% p.a. from 1.8.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately ₹ 0.85 crore maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 1.1.2001 upto 31.7.2005 within 3 months from the date of award failing which APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court out of HUDCO AGP Surplus Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. As per court order, HUDCO has filed the arbitral records and moved an application for restoring the security of bank Guarantee as earlier provided by APIL. The application was listed on 11.3.2013 and now the case before court is listed on 4.7.2013.

(g) APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.7.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f. from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.5.2012 has set aside the arbitration award dated 21.7.2006 and has further held that APIL was liable to pay ground rent to HUDCO from date of possession of shopping arcade i.e. November, 1995.

Note 25: (Contd.)

Now APIL filed an appeal against the abovementioned order before Division Bench of High Court, Delhi. The matter was finally listed for oral arguments on 3.12.2012 before the Division Bench-2. Both the parties argued the matter at length and the Court has pronounced the order on 24.1.2013, allowing APIL appeal and upheld the Arbitrators award. HUDCO has filed SLP before Supreme Court challenging the order dated 24.1.2013 of Division Bench, High Court. The SLP is likely to be listed after summer vacation of the Supreme Court.

3) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. Confirmation of balances covering approximately 82% in value of the total project loan outstanding have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.

(b) The provision on loans as per NHB norms has increased by ₹ 67.99 crore during the year which stood at ₹ 1,045.96 crore as on 31.3.2013 (as against ₹ 977.97 crore as on 31.3.2012).

The Company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood at ₹ 380 crore on 31.3.2013 (Previous Year ₹ 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 ₹ 1,425.96 crore as on 31.3.2013 (against ₹ 1,292.97 crore as on 31.3.2012).

(c) The default resolution package with M/s. Cochin International Airport Ltd. (CIAL) was approved by HUDCO's Board on 17.2.2012. The payments as per default resolution package have been received from CIAL as on 31.3.2012. As per default resolution package shares of ₹ 10 crore of CIAL were to be allotted to HUDCO. The equity share allotment of shares of ₹ 10 crore (1 crore equity shares fully paid up of CIAL of ₹ 10 each) of CIAL has been approved by Extra Ordinary General Meeting of CIAL held on 31.3.2012. Proceedings of joint compromise petition before the Subordinate Judge's Court, Ernakulam, were completed in 2012-2013 and the shares of ₹ 10 crore have been allotted to HUDCO.

Note 25: (Contd.)

4) Housing Loans (Individual / bulk) granted by the Company under HUDCO Niwas Scheme are secured wholly or partly by any or all of the following as applicable :

(i) Equitable Mortgage of the property.

(ii) Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer ;

(iii) The assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. may also be obtained in certain cases.

(iv) First charge on the assets of the housing finance company created out of HUDCO's Bulk Loan or First Pari-Passu charge on the outstanding loans in the books of the Company

(v) Escrow mechanism for dedicated inflow of funds for repayment of HUDCO loan and postdated cheques or ECS mandate for repayment of HUDCO loan.

(vi) First Pari-Passu charge on immovable properties of the company

(vii) Undertaking from the company that repayment to HUDCO will be irrespective of actual recovery of/ from identified housing loans

(viii) Demand promissory note

(ix) Irrevocable Power of Attorney in favour of HUDCO for creating charges in the event of default

5) **Utilization of Issue proceeds - Public Issue of Tax-free bonds:**

The Company issued tax free bonds worth ₹ 2,401.35 crore (₹ 2,194.34 crore under Tranche-I allotted on 16.2.2013 and ₹ 207.01 crore under Tranche-II allotted on 28.3.2013).

As per the Shelf / Tranche prospectus, the funds proposed to be raised through the Issue are to be utilized towards lending purposes, working capital requirements, augmenting the resource base of our Company and other operational requirements (including debt servicing). However subscription monies received from FIIs, Eligible NRIs (and other non resident Applicants across all Categories) through the Issue are not to be utilized for any lending purposes in terms of the FEMA Borrowing Regulations, and shall be utilized for the following purposes:

Note 25: (Contd.)

(a) Debt servicing, which includes servicing of both the principal amounts as well as interest payments of various debt facilities availed by our Company in the past and currently outstanding in its books of accounts, including loans, market borrowings (which include our non-convertible bonds / debentures);

(b) Statutory payments;

(c) Establishment and administrative expenses; and

(d) Other working capital requirements of our Company.

Details of Public issues of Secured Tax free Bonds and utilisation of the Issue proceeds are as under:

(₹ in crore)

		Resident	**FIIs & NRIs**	**Total**
1.	Total subscription monies (Tranche-I)	2159.15	35.19	2194.34
2.	Total subscription monies (Tranche-II)	202.57	4.44	207.01
	Grand Total (1+2)	2361.73	39.62	2401.35
3.	Utilized towards lending purposes, working capital requirements, augmenting the resource base of our Company and other operational requirements during the period 22.02.2013 to 31.03.2013	2159.15	-	2159.15
4.	Utilized towards Debt servicing, Statutory payments, Establishment and administrative expenses and Other working capital requirements of our Company.	-	35.19	35.19
	Grand Total (3+4)	2159.15	35.19	2194.34
5.	Subscription money in respect of Tranche-II awaiting utilization: Allotted on 28.03.2013, however subscription monies was not available for utilization as the listing and trading approvals from respective stock exchanges was awaited.	202.57	4.44	207.01

6) The Company has adopted AS-15 (revised 2005) ‘Employees Benefits’. Defined employee benefit schemes are as follows:

Note 25: (Contd.)

(a) The Company pays fixed contribution of Provident Fund at a predetermined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the Company to guarantee the payment of interest at rates notified by the Central Government from time to time. The fair value of the assets of the Provident Fund as at 31.3.2013 is higher than the obligation under the defined contribution plan. Accordingly on actuarial valuation of provident fund the provision made in the previous year has been reversed by ₹ 4.61 crore at the end of the year as on 31.3.2013.

(b) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provision of the payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by a separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation as at the year end.

Note 25: (Contd.)

(c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

	Gratuity		Leave Encashment				Post Retirement Medical Benefits	
			EL		HPL			
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1. Component of Employer Expenses								
a. Current Service Cost	1.43	1.47	1.23	1.05	0.71	0.52	2.29	2.29
b. Interest Cost	2.37	2.14	1.51	1.39	0.77	0.69	5.11	4.48
c. Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Expected return on plan assets	(3.29)	(3.01)	NA	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	4.89	(0.68)	2.75	0.65	0.59	0.24	12.44	3.41
g. Recognised in the Statement of Profit & Loss.	5.40	(0.09)	5.49	3.09	2.08	1.45	19.83	10.17
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2013								
a. Present value of Obligation as at 31.3.2013	32.27	28.57	22.26	18.53	10.92	9.40	89.41	71.84
b. Fair Value of plan assets as at 31.3.2013	34.51	35.03	NA	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(2.24)*	(6.46)*	22.26	18.53	10.92	9.40	89.41	71.84
3. Change in present value of obligation as on 31.3.2013								
Present Value of obligation as at 31.3.2012	28.58	27.01	18.53	17.64	9.40	8.61	71.84	63.17
Current service cost	1.43	1.47	1.23	1.05	0.71	0.52	2.29	2.29
Interest Cost	2.37	2.14	1.51	1.39	0.78	0.69	5.11	4.47
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	(1.82)	(0.80)	2.75	0.65	0.59	0.24	12.44	3.41
Benefits Paid	(1.93)	(1.24)	(1.76)	(2.20)	(0.57)	(0.66)	(2.26)	(1.50)
Present Value of obligation as at 31.3.2013	32.27	28.58	22.26	18.53	10.92	9.40	89.41	71.84
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.3.2012	35.04	31.33	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	3.29	3.01	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	1.18	2.05	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(1.93)	(1.24)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	(3.07)	(0.12)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2013	34.51	35.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	0.23	2.89	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions								
Discount Rate (p.a.) (%)	8.05	8.65	8.05	8.65	8.05	8.65	8.05	8.65
Expected rate of returns on plan assets (p.a.) (%)	9.40	9.40	9.40	9.40	9.40	9.40	N.A.	N.A.
Salary increase rate (p.a.) (%)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6. Details of the Plan Assets at cost as on 31.3.2013								
Government of India Securities, Corporate Bonds etc.	0.00	0.00						
Gratuity Fund Managed by Insurer	100%	100%						

Note 25: (Contd.)

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

* The Assets of ₹ 2.24 crore (previous year ₹ 6.46 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.3.2013.

7) (i) National Housing Bank's credit concentration norms states that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds. Further, as per NHB's latest circular dated 21.03.13, investment of a Housing Finance Company (HFC) in the shares of another HFC shall not exceed 15% of the Equity Capital of the investee Company.

(ii) NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 has given relaxation from credit concentration norms which is reproduced as under:

"The Bank after taking into consideration the role envisaged for HUDCO by the Ministry of Housing & Urban Poverty Alleviation, in terms of the MOU signed between HUDCO and the Ministry, it has been decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders and private parties, and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply."

(iii) Towards effective implementation of the above relaxation and for appropriate reporting, the Board of Directors of HUDCO in its meeting No.498 held on 19.3.2012 approved the categorization of projects as housing and housing related infrastructure and others.

(iv) The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 as stated above and these have been complied with except in 1 case.

In respect of investment in the Equity Shares of another HFC viz., HUDCO had invested ₹ 2.50 crore in the Equity Shares of the Indbank Housing Ltd., whose total paid-up capital is ₹ 10 crore resulting in investment to the extent of 25% of the equity, which is higher than the present NHB norms, since investment was made more than 10 years back. Further, in principle approval for merger of our investment in Indbank Housing Ltd. in Indian Bank has been accorded by HUDCO's

Note 25: (Contd.)

Board in its 495th meeting held on 20.01.2012. The matter is yet to be finally concluded alongwith swap ratio of shares. Once the merger is effected, the investment will be as per NHB Norms.

8) Change in Accounting Policy : The profit for the year is lower by ₹ 0.02 crore (net of tax) due to change in accounting policy relating to reimbursement of mobile phone to the employees.

9) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.

10) The Company has not received information from vendors / suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.

11) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 "Segment Reporting" since the main business of the Company is to provide finance for Housing / Infrastructure projects and all other activities of the Company revolve around the main business.

12) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is not necessary, as in the opinion of management; there is no impairment of assets during the year.

13) The Company makes full provision on doubtful debtors / receivables and advances which are outstanding for more than three years.

14) The Company has proposed final dividend of ₹ 150.00 crore at the rate of ₹ 74.93 per share of ₹ 1,000 each, which is payable to Government of India, subject to approval of same by shareholders in annual general meeting.

15) The Company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Office Rent under Note No. 23 of the Statement of Profit & Loss. Further, there is no financial lease as Company's leasing arrangements does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

Note 25: (Contd.)

16) **Details of Expenditure / Earnings in foreign currency :**

(₹ in crore)

Particulars	**2012-2013**	**2011-2012**
Expenditure		
a) Traveling & Entertainment	0.23	0.08
b) Others	0.00	0.00
c) Interest on foreign loan	8.69	8.03
Total Expenditure	**8.92**	**8.11**
Earnings		
a) Interest on foreign deposit	2.28	1.58

17) **Earnings Per Share:**

Particulars		**Year ended 31.3.2013**	**Year ended 31.3.2012**
Net Profit for the year attributable to equity shareholders (₹ in crore)	(a)	700.56	630.33
Weighted Average number of Equity Shares	(b)	2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of ₹ 1000/- each (₹)	(a / b)	349.95	314.87

Note 25: (Contd.)

18) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

(1) HOUSING FINANCE BUSINESS:

Loans : **(₹ in crore)**

Assets Classification	Principal outstanding		Provision As per Norms *		Additional provision	
	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012	2012-2013	2011-2012
Standard (considered good)	5,882.44	5,863.30	38.77	41.52	20.00	50.00
Sub-standard Assets	23.57	43.77	3.54	6.57		
Doubtful Assets	342.45	362.63	314.56	326.86		
Loss Assets	30.60	30.14	30.60	30.14		
Total	6,279.06	6,299.84	387.47	405.09	20.00	50.00

(2) NON HOUSING FINANCE BUSINESS:

Loans : **(₹ in crore)**

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision	
	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012	2012-2013	2011-2012
Standard (considered good)	18,540.42	16,401.50	83.88	77.48	360.00	265.00
Sub-standard Assets	102.46	503.08	15.37	75.46		
Doubtful Assets	1,010.81	574.86	555.47	416.17		
Loss Assets	3.77	3.77	3.77	3.77		
Total	19,657.46	17,483.21	658.49	572.88	360.00	265.00
Grand Total (1) + (2)	25,936.52	23,783.05	1,045.96	977.97	380.00	315.00

(3) Investments: **(₹ in crore)**

Particulars	Principal outstanding		Provision As per Norms	
	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
Equity Shares	14.97	4.97	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Bonds	670.00	1,220.00	0.00	0.00
Total	687.37	1,227.37	3.39	3.39

* The cumulative provision is excluding any provision on KFW Loans

19) The Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹ 520/- per month. As per DPE letter dated 21.1.2013, staff car may be used for private use upto 1,000 km. per month against payment of ₹ 2,000/- per month.

Note 25: (Contd.)

20) **Related parties Disclosure :**

(c) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) MCM Infrastructure Pvt. Ltd.

(4) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year 2012-2013 :

Sl. No.	Director(s)	Status
1.	Shri V P Baligar,	Chairman & Managing Director (Whole time Director) (from 11.4.2011)

(c) Transactions with Joint Ventures :

(₹ in crore)

Proportion of ownership	40%	26%			
Nature of Transactions	**Shristi Urban Infrastructure Development Ltd.**	**Pragati Social Infrastructure & Development Ltd.**	**MCM Infrastructure Pvt. Ltd.**	**Signa Infrastructure India Ltd.**	**Total**
Investments					
Balance as at 31.3.2012	2.00	0.13	0.26	0.013	2.403
Additions during the year	-	-	-	-	-
Balance as at 31.3.2013	2.00	0.13	0.26	0.013	2.403

(d) Transactions with Key Management Personnel :

NIL

(e) Managerial Remuneration :

(₹ in crore)

Particulars	Shri V P Baligar, CMD		Shri T. Prabakaran, Ex-DF		Shri S. K. Tripathi, Ex-DCP	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Salaries	0.17	0.149	-	0.074	-	0.005
Contribution to PF	0.00	0.000	-	0.009	-	0.000
Perquisites and other allowances	0.04	0.020	-	0.033	-	0.049
Total	0.21	0.169	-	0.116	-	0.054

Note 25: (Contd.)

21) **Information in relation to the interest of the Company in Joint Ventures as required under AS – 27.**

(a) **Details of Joint Ventures**

Name of the Company	Contribution towards equity (₹ in crore)	Country of Residence	Proportion of ownership	Description of Interest
Shristi Urban Infrastructure Development Ltd.	2.000	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.130	India	26%	Jointly controlled entity
MCM Infrastructure Pvt. Ltd.	0.260	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.013	India	26%	Jointly controlled entity
Total	**2.403**			

Note 25: (Contd.)

(b) **Proportionate Assets & Liabilities :**

(₹ in lakhs)

	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd. *		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
Year ending	Un audited as at 31.3.2013	Audited as at 31.3.2012	Un audited as at 31.3.2013	Un audited as at 31.3.2012	Un audited as at 31.3.2013	Audited as at 31.3.2012	Un audited as at 31.3.2013	Audited as at 31.3.2012
Fixed Assets	0.65	0.79	Not available	6.84	0.00	0.00	0.05	0.07
Investments	120.00	120.00	Not available	63.55	0.00	0.00	0.00	0.00
Deferred Tax Assets	0.27	0.28	Not available	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans and Advances	187.40	162.79	Not available	0.18	12.20	11.53	17.67	24.46
Statement of Profit & Loss (Debit Balance)	0.00	0.00	Not available	19.54	0.00	0.00	0.00	0.00
Share of Total Assets	312.20	286.96	Not available	90.11	12.20	11.53	17.72	24.53
Reserves & Surplus	13.10	12.91	Not available	0.00	-14.02	-14.74	9.51	8.95
Current Liabilities and Provisions	98.02	74.04	Not available	8.06	0.23	0.27	6.91	14.26
Loans Funds	1.07	0.00	Not available	69.05	0.00	0.00	0.00	0.00
Deferred Tax Liabilities	0.00	0.00	Not available	0.00	0.00	0.00	0.01	0.02
Share of Total Liabilities (excluding Reserves & Surplus)	99.10	74.04	Not available	77.11	0.23	0.27	6.91	14.28
Operations Income	60.60	66.48	Not available	0.00	0.00	0.27	7.81	23.73
Other Income	0.05	0.12	Not available	0.00	0.96	0.93	0.06	0.07
Total Income	60.65	66.60	Not available	0.00	0.96	1.21	7.87	23.80
Share of Expenses	60.41	66.30	Not available	2.55	0.25	0.43	7.31	21.00
HUDCO's share in contingent liability of JV Co.	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Contingent liability for jointly controlled Company incurred by HUDCO	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Capital Commitment	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available

*** Case filed before Company Law Board, Kolkata Law Bench on 28.2.2013 against M/s. Pragati Social Infrastructure & Development Ltd. under section 397 and 398 (Prevention of Oppression and Mismanagement) of Companies Act, 1956, therefore the Company has not provided unaudited / audited accounts for the year 2012-2013 and also not available at MCA site.**

Note 25: (Contd.)

22) (a) The Company has formulated a Corporate Social Responsibility (CSR) policy in line with the guidelines issued by Department of Public Enterprise (DPE) vide Office Memorandum F. No. 15(3)/2007-DPE(GM)-GL-99 dated 9.4.2010.

As per the CSR guidelines of the DPE, the Company, to allocate 0.5% to 3% of net profit after tax of the previous year for CSR Activities. The Company had approved 3% of previous year profit towards CSR in the financial year 2010-11, 2% of profit during the financial year 2011-12 and 1.5% of profit during the financial year 2012-13 and Company was creating CSR provision for this purpose up to the year 2011-12.

The Institute of Chartered Accountants of India (ICAI) has given its opinion vide their letter dated 23.5.2013, as requested by the Company on CSR accounting that unspent expenditure on CSR activities should not be recognised as provision, but a reserve may be created as an appropriation of profits.

Accordingly, CSR provision of ₹ 19.87 crore (amount unspent as at 1.4.2012) has been reversed to the credit of the statement of profit & loss through prior period account and CSR reserve of ₹ 19.87 crore has been created as appropriation of profit, the effect of which are as under:

Particular	**Amount (₹ in crore)**
Opening Balance (The opening balance is NIL as the provision was being made in the previous year)	0.00
Add: Appropriation on account of un-spent amount as on 31.3.2012	19.87
Less : Transfer to statement of profit and loss during the year on account of excess spending amount over current year's appropriation requirement (CSR allocation of ₹ 9.45 crore less amount spent ₹ 9.80 crore)	0.35
Closing Balance as on 31.3.2013	19.52

The above has resulted increase in profit before tax amounting to ₹ 19.52 crore.

(b) The Company has formulated a Sustainable Development (SD) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE(MoU) dated 20.9.2011.

As per the SD guidelines of DPE, a minimum of ₹ 50 lakh plus 0.1% of profit after tax exceeding ₹ 100 crore of the previous year will be allocated for SD Projects / Activities. The Company had allocated ₹ 0.5 crore plus 0.1% of previous year's profit after tax amounting to ₹ 1.13 crore in the year 2012-13. The unspent amount of ₹ 0.77 crore has been appropriated from profits as SD reserve.

Note 25: (Contd.)

(c) The Company has formulated a Research & Development (R&D) policy in line with the guidelines issued by the Department of Public Enterprises vide Office Memorandum No. 3(9)/2010-DPE(MoU) dated 20.9.2011.

As per the R&D guidelines of DPE, a minimum of 0.5 % of PAT of the previous year will be allocated for R&D projects / Activities. The Company had allocated 0.5% of previous year's profit after tax amounting to ₹ 3.15 crore in the year 2012-13. The unspent amount of ₹ 0.0002 crore has been appropriated from profits as R&D Reserve.

23) **Additional Disclosure requirement as per NHB Directions**

(a) **Capital to Risk Assets Ratio (CRAR)**

	Particulars	31.3.2013	31.3.2012
i)	CRAR (%)	23.24	31.37
ii)	CRAR - Tier I capital (%)	23.24	31.37
iii)	CRAR - Tier II Capital (%)	0.00	0.00

(b) **Exposure to Real Estate Sector**

(₹ in crore)

		Category	2012-2013	2011-2012
a)	**Direct exposure**			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than ₹15 lakh)	27.04	30.80
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh)	189.67	222.84
		Total	216.71	253.64
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	5013.08	5723.29
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	0.00	0.00
		(a) Residential	0.00	0.00
		(b) Commercial Real Estate	0.00	0.00
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		0.00	0.00

Note 25: (Contd.)

(c) **Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as on 31.3.2013 :

(₹ in crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	771.86	211.67	287.28	769.13	1266.86	826.49	134.60	0.00	0.00	0.00	4267.89
Market Borrowings	559.75	13.80	24.63	1082.29	378.96	2292.45	2254.80	295.82	4782.77	2914.35	14599.62
Assets											
Advances	260.17	511.81	258.75	895.56	1843.28	7103.43	4820.53	3689.05	3398.44	1729.54	24510.56
Investments	0.00	0.00	0.00	0.00	0.00	200.00	200.00	270.00	0.00	13.98	683.98

24) (a) Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with figures for current year.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

NOTE 26 : EXPLANATORY NOTES

1) Contingent Liabilities and other commitments not provided for :

(a)

			(₹ in crore)
		2011-2012	**2010-2011**
i.	Claims of Contractors not acknowledged as debts	5.69	9.16
	Counter claims of the Company	0.63	0.88
ii.	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61
iii.	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid ₹ 245.37 crore (previous year ₹ 229.67 crore) under protest	272.96	276.29
iv.	Disputed Service tax demands against which Company has gone in appeal. The Company has paid ₹ 2.49 crore (previous year ₹ 0.25 crore) under protest	4.56	4.95
v.	Counter claims of various parties for damages against Company's claim in Civil Courts	0.00	0.39

(b)

			(₹ in crore)
		2011-2012	**2010-2011**
i.	Estimated amount of commitments remaining to be executed on capital account	31.51	18.13
ii.	Estimated amount of other commitments on account of maintenance of HUDCO Flats	1.66	-

2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case HUDCO is only working as an agent. As such, liability whenever ascertained / finalised shall be met out of AGP project surplus fund account, being maintained separately.

(b) The Company has undertaken Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Affairs & Employment, MoUA&E (now Ministry of Urban Development, MoUD) in year 1989-90 vide minutes dated 7.9.1995, MoUA&E has agreed to pay interest @ 17% p.a on the expenditure incurred on the Andrewsganj Project alongwith 1.5% administrative charges. As per Perpetual Lease Deed dated 4.7.1997, the Company is liable to make available Net Resources from the development and disposal of properties of the project to the above Ministry and accordingly the Company was crediting interest on Net Resources generated on the project upto 3.11.2004 and thereafter a separate No Lien account has been opened under the name of HUDCO AGP Surplus Account into which the surplus lying to their credit had been deposited and interest accrued / earned on No Lien Account is being credited to that account. MoUD has intimated in 2001 that the Company cannot pass on the financial liability to the Government on account of disputes with allottees at community centre properties. However, the Company has represented that as per Perpetual Lease Deed, the Company is liable to make available "Net Resources Generated" from the development and disposal of properties of the project to the Ministry which means that all out-goings on the project including those on litigation & arbitration expenses and award / decree etc., in respect of disputes together with HUDCO's administrative expenses and interest on amount spent by HUDCO from its own fund have to be debited to this project because being an agent there is no financial liability of the Company. Company's above contention recognizing it only as an agent and as such total ownership rights and responsibilities are of Government of India and there is no financial liability of the Company has been upheld by the opinion of Shri GE Vahanvati as Solicitor General of India dated 12th April, 2005 and as Attorney General of India vide his opinion dated 19th August, 2009 wherein he has opined as under:-

"I am of the opinion that it is not open to the Ministry of Urban Development to contend that they had nothing to do with the development of Hotel Site or that HUDCO was not its agent. The protracted dispute between the two Ministries is leading to mounting interest which is being added to the amount of the decree. This is a matter which therefore, has to be resolved on a mutually acceptable basis and the Ministry of Urban Development should accept its liabilities as the land owner".

The opinion has also been duly endorsed by the then Law Secretary and Law Minister of Government of India. Keeping in view this, HUDCO has been making payments / settling claims on Ministry's behalf and accounting them through above HUDCO AGP Surplus Account. As on 31.3.2012, this account has a debit balance of ₹ 204.87 crore which represents amounts paid by HUDCO on behalf of government for the capital and revenue expenditures on above project over and above the recoveries to this account and cumulative interest on excess of expenditure over recoveries of ₹ 15.02 crore (upto 31.3.2012) which includes prior period interest income of ₹ 8.49 crore at the rate of 10.75% per year charged with reference HUDCO's Board decision in 459th meeting on aforesaid excess payment made by HUDCO, which is recoverable from the above Ministry. The Ministry has been informed in specific of the above facts and figures on various occasions through correspondence as also in the meetings, however, any specific denial/confirmation from the Ministry has not received yet. The Company in its aforesaid capacity of agent to the Government of India is in possession of real estate properties (9 guest houses blocks and hotel site) which command much higher realizable market value sufficient to recover aforesaid amount of ₹ 204.87 crore. The Ministry of Urban Development, Government of India in recognition of above facts together with its liability is taking effective steps to increase recovery into this account by generating revenues by renting out the litigated properties etc.

(c) An amount of ₹ 17.98 crore (50% of the total property tax claimed by MCD)was initially deposited by HUDCO with Municipal Corporation of Delhi (MCD) on account of property tax of Andrews Ganj Project for the period upto 4.7.1997, although there was no liability of payment of property tax on HUDCO since the property belongs to Union of India. The Hon'ble Supreme Court decided the case in favour of HUDCO as such, the entire amount along with interest is recoverable from MCD. Out of the above an amount of ₹ 11.46 crore has been refunded by MCD on 3.10.2005 which has been adjusted against interest. No demand has been raised by MCD for payment of property tax for the period after 4.7.1997. As per opinion of Solicitor General of India no property tax is payable by HUDCO on the land owned by Government of India. Further, Contempt petition of HUDCO is pending against MCD in Supreme Court. MCD vide their counter affidavit has pleaded a set off of ₹ 27.92 crore towards payment of property tax beyond 4.7.1997 in their counter claims as against ₹ 25.06 crore (payable as on 30.6.2008) demanded by HUDCO. HUDCO has filed rejoinder affidavit to the counter affidavit filed by MCD.

The matter was last listed on 13.7.2011 on which the Hon'ble Supreme Court directed that both the parties being the statutory Government Organizations and as the dispute is pending in Court for more than a decade it is desirable to settle their dispute by way of an amicable negotiation at the earliest by officials at the higher level for which the court adjourned the matter.

Pursuant to the directions of the Hon'ble Court a joint meeting was held on 1.3.2012 which was attended by top managerial level officials of HUDCO and MCD. As decided in the meeting HUDCO vide its letter dated 6.3.2012 to MoUD sought directions of MoUD for making up to date payment of service charges, as payable by Government for other Government properties. The directions of MoUD in the matter are still awaited, a reminder letter has been sent on 14.6.2012 in order to expedite the decision of MoUD in the matter.

The issue of payment of property tax was also followed up by MCD with MOUD vide its letter dated 27.3.2012 for its directions to HUDCO to pay property tax (service charges) dues on Andrewsganj project to MCD

The matter was listed on 27.4.2012, however MCD moved an application for seeking adjournment, which was allowed by the court. Now the matter will be listed in due course in Supreme Court.

(d) The Company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments, the Company had cancelled the allotment of hotel site including car parking space and forfeited the first installment paid by MSSEL in terms of the allotment letter. The hotel site including car parking space was subsequently re-allotted to M/s. Leela Hotel Ltd. (LHL) now known as Hotel Leela Venture Ltd. However, MSSEL started litigation regarding hotel site which is still continuing at the appellate stage in the court of ADJ, Saket, New Delhi. Allotment in favour of LHL was also cancelled due to non-payment of 3rd and final installment by LHL on 12.7.1999 as per terms of allotment, 50 percent of the amount deposited, by LHL was forfeited and balance amount of ₹ 67.53 crore was refunded to LHL after adjusting the overdue ground rent and property tax dues. LHL, against this cancellation, sought arbitration wherein the Learned Arbitrator has passed an award directing the Company to refund the amount forfeited along with interest. The award was upheld by the Single Bench of Hon'ble High Court of Delhi and the amount of ₹ 89.78 crore, being balance principal amount, was deposited by HUDCO in the Hon'ble High Court of Delhi as per Court directions. The payment was made out of AGP Surplus Account and has since been released by Hon'ble High Court of Delhi to LHL. The Company's appeal against the Order of Single Bench before the Double Bench of Hon'ble High Court of Delhi was also dismissed. The Company has filed SLP before the Hon'ble Supreme Court against the orders of Double Bench. The Hon'ble Supreme Court had admitted HUDCO's SLP and stayed the recovery of interest amount. However, the Hon'ble Supreme Court had directed the Company to deposit 50% of the balance decreed amount consisting of interest in the executing court i.e. Hon'ble High Court of Delhi. The Company had accordingly deposited ₹ 59.61 crore in the Hon'ble High Court of Delhi on 23.3.2006 out of HUDCO AGP Surplus Account and amount has been released by the High Court to Leela Hotels on furnishing of bank Guarantee on 12.10.2006. The case came up for final arguments on 12.2.2008 before Supreme Court of India. The Hon'ble Supreme Court of India upheld the award dated 25.6.2002 passed by the Justice R.S. Pathak (ex-Chief Justice of India) except for the interest for pre-award period which has now been reduced by Hon'ble Supreme Court of India from 20% p.a. to 18% p.a. and dismissed the SLP filed by HUDCO.

LHL filed execution petition No. 48 of 2006 before High Court of Delhi. HUDCO calculated the balance amount payable to LHL as ₹ 48.09 crore and filed an application before the Executing Court for the payment. The said amount has been paid to LHL as per Court Order on 12.5.2008. As per calculation of HUDCO, nothing was payable after the last payment of ₹ 48.09 crore. The amount paid by HUDCO was calculated by HUDCO by adjusting the amount first towards principal and then towards interest. However, LHL have calculated the amount payable by HUDCO after adjusting the payments first towards interest and then towards principal.

The issue of adjustment of amount paid by HUDCO came up for hearing before the Single Judge Bench of the High Court of Delhi (i.e. Executing Court) on 19.11.2008. High Court ordered that HUDCO should make the payment by adjusting the amount paid first towards interest then towards the principal and that HUDCO should make the payment as per calculation of decree holder (i.e. LHL).

HUDCO filed execution first appeal before the Division Bench of the High Court on 3.1.2009 against the Single Judge order dated 19.11.2008. In the meantime HUDCO deposited a sum of ₹ 50.54 crore debiting the amount to Andrews Ganj Surplus Account with execution court to avoid future liability.

Division Bench vide its order dated 20.7.2009 expressed the view that calculation made by Leela Hotels Ltd. is not correct and allowed the appeal filed by HUDCO by upholding interalia, that amount of ₹ 89 crore paid by HUDCO be adjusted towards principal amount.

The amount claimed by Leela Hotels Ltd. as on 15.10.2009 even in terms of Division Bench order dated 20.7.2009 is ₹ 107.91 crore. Against the order of Division Bench Leela Hotels filed an SLP before Supreme Court of India.

The Execution Court i.e. Delhi High Court vide its order dated 28.10.2009 had ordered that , the amount of ₹ 50.54 crore paid to the decree holder (Leela Hotels) as per order dated 15.5.2009 to be deposited by the decree holder in the Registry of this Court within a period of five weeks from 28.10.2009. Thereafter, this Court would consider the rival submissions advanced by both the parties including the issue of interest payable by the decree holder to the Judgment debtor (HUDCO) on the amount directed today to be refunded. As and when the said amount is deposited by the decree holder, the Registry is directed to make a short-term fixed deposit of 45 days.

After the Order of Executing Court dated 28.10.2009, M/s. Leela filed stay application in the Hon'ble Supreme Court on 6.11.2009. Application came up for hearing on 10.11.2009. After hearing both the parties, Hon'ble Supreme Court granted interim stay against the order of Division Bench of Delhi High Court.

Hon'ble Supreme Court delivered judgment on 15.11.2011 whereby it has allowed the SLP filed by Leela Hotel Ltd. and set aside the

Division Bench Order dated 20.7.2009 and the Order dated 19.11.2008 of the Ld. Single Judge which had directed HUDCO to make payment to Leela hotels as per their calculations, is restored. Thus HUDCO was required to make payment to Leela Hotels Ltd. as per order of Single Judge. Thereafter, Leela Hotels Ltd. has filed execution application in the Delhi High Court for recovery of ₹ 154.41 crore alongwith further interest @ 15% p.a. till date of payment.

A Review Petition was filed by HUDCO before the Hon'ble Supreme Court of India on 15.12.2011 and the same has been dismissed thereafter. HUDCO has made a payment of ₹ 146.76 crore on 22.2.2012 to Leela Hotels Ltd. debiting to AGP Surplus Account as per its calculation and as per court order dated 25.1.2012 after obtaining opinion of dealing counsel and Attorney General of India. Now the execution petition is listed for further hearing on 30.7.2012. Final payment by HUDCO shall be done after final order of the court regarding calculation of concerned parties.

(e) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi. MSSEL has filed two applications seeking HUDCO to produce 324 original documents and L&DO to produce 209 documents. The reply has been filed by HUDCO along with application for framing of preliminary issues. MSSEL has filed the reply to the application filed by HUDCO. HUDCO has filed two applications one for the vacation of stay and other for the rejection of plaint. The applications came up hearing on 24.5.2010 before Delhi high court whereby the application u/o. 39 R. 4, CPC was pressed for hearing for vacation / modification of the interim order dated 23.2.1998 operating against the parties. Court held that no cause of action has been made for altogether complete vacation of interim order. The earlier order passed in appeal dated 17.12.2003 ought to be enforced in so as it allows HUDCO to lease out the suit property. Court directed HUDCO to implement the said order and call out for application for leasing the suit property by publishing public notice. In terms of the order, the application u/o. 39 R.4 stands disposed off. Further, HUDCO to file affidavit in compliance of Order 11 Rule 12 seeking discovery and production of documents. Admission and denial of MSSEL documents have also been completed.

However, MSSEL has filed further documents for admission and denial by HUDCO. Meanwhile MS Shoes east Ltd. has filed four Interim Applications (IAs) viz. for day to day trial of the suit; for bringing on record the additional documents; for striking off the defence and the last one is regarding some discrepancy in exhibiting the earlier documents by HUDCO. Reply to the two applications regarding day to day trial and for bringing on record the additional documents have been filed by HUDCO in consultation with our dealing advocate. MSSEL is required to file rejoinder to the replies to HUDCO. Meanwhile, HUDCO has carried out the marking of exhibit of some documents which were left out. The IA for this purpose has been disposed off. For other IAs 3.9.2012 has been fixed by Joint Registrar (High Court) for arguments. The matter before High court is also listed on 2.7.2012 for arguments on the application u/o 23 Rule 1(4) filed by HUDCO for rejection of plaint.

(f) The arbitrator has passed an award in respect of allotment of site in Shopping Arcade to M/s. Ansal Properties and Industries Ltd. (APIL) on 28.7.2005 in favour of APIL directing HUDCO to pay ₹ 8.84 crore and further interest @18% p.a. from 1.8.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately ₹ 0.85 crore maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 1.1.2001 upto 31.7.2005 within 3 months from the date of award failing which APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of ₹ 7.99 crore in the Court out of HUDCO AGP Surplus Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. As per court order, HUDCO has filed the arbitral records. Now 12.7.2012 has been fixed up for further proceedings.

(g) APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.7.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of ₹ 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f. from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. The Learned High Court on 10.5.2012 has set aside the arbitration award dated 21.7.2006 and has further held that APIL was liable to pay ground rent to HUDCO from date of possession of shopping arcade (i.e. November, 1995). HUDCO has filed caveat in the High Court as APIL may file appeal. Execution petition for recovery will be filed soon.

3) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases

under litigation. Confirmation of balances covering approximately 89% in value of the total project loan outstanding have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.

(b) The provision on loans as per NHB norms has increased by ₹ 352.19 crore during the year which stood at ₹ 977.97 crore as on 31.3.2012 (as against ₹ 625.78 crore as on 31.3.2011).

The Company has been making additional provision of NPA beyond NHB norms. The above adhoc provision stood at ₹ 315 crore on 31.3.2012 (Previous Year ₹ 630 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 ₹ 1292.97 crore as on 31.3.2012 (against ₹ 1255.78 crore as on 31.3.2011).

(c) The default resolution package with M/s. Cochin International Airport Ltd. (CIAL) was approved by HUDCO's Board on 17.2.2012. The payments as per default resolution package have been received from CIAL as on 31.3.2012. As per default resolution package shares of ₹ 10 crore of CIAL were to be allotted to HUDCO. The equity share allotment of shares of ₹ 10 crore (1 crore equity shares fully paid up of CIAL of ₹ 10 each) of CIAL has been approved by Extra Ordinary General Meeting of CIAL held on 31.3.2012. However, shares certificates for above shares will be issued to HUDCO after submission of joint compromise petition before the Subordinate Judge's Court, Ernakulam. Till the formalities for joint comprise petition are concluded, the said amount of ₹ 10 crore being the value of equity shares has been shown as loan to CIAL in the loan accounts book of HUDCO and the necessary provision on the loan as per NHB norms has been made thereon.

4) Housing Loans granted by the Company under HUDCO Niwas Scheme are secured fully / partly by :

(a) Equitable Mortgage of the property and / or

(b) Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer ;

In addition to (a) & (b) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained in certain cases.

5) Utilization of Issue proceeds - Public Issue of Tax-free bonds :

As per the Shelf / Tranche prospectus, the funds of ₹ 4684.72 crore raised through the Issue are to be utilized towards lending purposes, augmenting the resource base of our Company and other operational requirements. Accordingly, the position of utilization of issue proceeds transferred to Company's current account on 20.3.2012 is as under :

(₹ in crore)

(A)	Total Issue proceeds – Secured Tax-free Bonds	4684.72
(B)	Utilized towards lending purposes, augmenting the resource base of our Company and other operational requirements during the period 20.03.2012 to 31.03.2012	3080.69
(C)	Pending utilization, balance amount invested temporarily in deposits with Banks	1604.03

6) The Company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:

(a) The Company pays fixed contribution of Provident Fund at a predetermined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust and the provident fund scheme additionally requires the Company to guarantee the payment of interest at rates notified by the Central Government from time to time. The fair value of the assets of the Provident Fund as at 31.3.2012 is higher than the obligation under the defined contribution plan. Accordingly on actuarial valuation of provident fund the provision made in the previous year has been reversed by ₹ 5.21 crore at the end of the year as on 31.3.2012.

(b) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provision of the payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by a separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation as at the year end.

(c) The summarized position of various defined benefit schemes recognised in the Statement of Profit & Loss, Balance Sheet and the funded status are as under:

(₹ in crore)

	Gratuity		Leave Encashment				Post Retirement Medical Benefits	
			EL		HPL			
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1. Component of Employer Expenses								
a. Current Service Cost	1.47	1.36	1.05	0.97	0.52	0.46	2.29	2.26
b. Interest Cost	2.14	1.86	1.39	1.12	0.69	0.54	4.48	3.87
c. Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e. Expected return on plan assets	(3.01)	(2.59)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
f. Actuarial (Gain) / Loss	(0.68)	2.80	0.36	2.57	0.16	1.58	3.41	4.15
g. Recognised in the Statement of Profit & Loss.	(0.09)	3.43	2.80	4.67	1.36	2.58	10.17	10.28
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2012								
a. Present value of Obligation as at 31.3.2012	28.57	27.01	18.53	17.64	9.40	8.61	71.84	63.17
b. Fair Value of plan assets as at 31.3.2012	35.03	31.33	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability / (Assets) recognised in Balance Sheet	(6.46) *	(4.32) *	18.53	17.64	9.40	8.61	71.84	63.17
3. Change in present value of obligation as on 31.3.2012								
Present Value of obligation as at 31.3.2011	27.01	22.75	17.64	14.09	8.61	6.69	63.17	54.45
Current service cost	1.47	1.36	1.05	0.97	0.52	0.46	2.29	2.26
Interest Cost	2.14	1.86	1.39	1.12	0.69	0.54	4.47	3.87
Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unrecognized Past service cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial (Gain) / Loss	(0.80)	2.65	0.36	2.57	0.16	1.58	3.41	4.15
Benefits Paid	(1.24)	(1.60)	(1.91)	(1.12)	(0.57)	(0.66)	(1.50)	(1.55)
Present Value of obligation as at 31.3.2012	28.58	27.01	18.53	17.64	9.40	8.61	71.84	63.17
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.3.2011	31.33	26.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Expected return on Plan Assets	3.01	2.59	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	2.05	4.32	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(1.24)	(1.60)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actuarial Gain / (Loss)	(0.12)	(0.16)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2012	35.03	31.33	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Return on plan assets	2.89	2.43	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions								
Discount Rate (per annum)	8.65	8.30	8.65	8.30	8.65	8.30	8.65	8.30
Expected rate of returns on plan assets (p.a.)	9.40	9.40	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6. Details of the Plan Assets at cost as on 31.3.2012								
Government of India Securities, Corporate Bonds etc.	0.00	0.00						
Gratuity Fund Managed by Insurer	100%	100%						

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

* The Assets of ₹ 6.46 crore (previous year ₹ 4.32 crore) on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.3.2012.

7) (i) National Housing Bank's credit concentration norms states that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds.

(ii) NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 has given relaxation from credit concentration norms which is reproduced as under:

"The Bank after taking into consideration the role envisaged for HUDCO by the Ministry of Housing & Urban Poverty Alleviation, in terms of the MOU signed between HUDCO and the Ministry, it has been decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders and private parties, and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply."

(iii) Towards effective implementation of the above relaxation and for appropriate reporting, the Board of Directors of HUDCO in its meeting No.498 held on19.3.2012 approved the categorization of projects as housing and housing related infrastructure and others.

(iv) The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 as stated above and these have been complied with except in two cases.

8) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.

9) The Company has not received information from vendors / suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.

10) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 "Segment Reporting" since the main business of the Company is to provide finance for Housing / Infrastructure projects and all other activities of the Company revolve around the main business.

11) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is not necessary, as in the opinion of management; there is no impairment of assets during the year.

12) The Company makes full provision on doubtful debtors / receivables and advances which are outstanding for more than three years.

13) The Company has proposed final dividend of ₹ 140.01 crore at the rate of ₹ 69.94 per share of ₹ 1000 each, which is payable to Government of India, subject to approval of same by shareholders in annual general meeting.

14) The Company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Office Rent under Note No. A-22 of the Statement of Profit & Loss. Further, there is no financial lease as Company's leasing arrangements does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

15) **Details of Expenditure / Earnings in foreign currency :**

(₹ in crore)

Particulars	**2011-2012**	**2010-2011**
Expenditure		
a) Traveling & Entertainment	0.08	0.04
b) Others	0.00	0.00
c) Interest on foreign loan	8.03	6.82
Total Expenditure	**8.11**	**6.86**
Earnings		
a) Interest on foreign deposit	1.58	1.86

16) **Earnings Per Share:**

Particulars		**Year ended 31.3.2012**	**Year ended 31.3.2011**
Net Profit for the year attributable to equity shareholders (₹ in crore)	(a)	630.33	550.03
Weighted Average number of Equity Shares	(b)	2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of ₹ 1000/- each (₹)	(a / b)	314.87	274.75

17) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

(1) HOUSING FINANCE BUSINESS:

Loans : **(₹ in crore)**

Assets Classification	Principal outstanding		Provision As per Norms *		Additional provision	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011	2011-2012	2010-2011
Standard (considered good)	5,863.30	5,403.79	41.52	9.84	50.00	245.00
Sub-standard Assets	43.77	80.90	6.57	8.09		
Doubtful Assets	362.63	380.76	326.86	173.13		
Loss Assets	30.14	67.48	30.14	67.48		
Total	6,299.84	5,932.93	405.09	258.54	50.00	245.00

(2) NON HOUSING FINANCE BUSINESS:

Loans : **(₹ in crore)**

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011	2011-2012	2010-2011
Standard (considered good)	16,401.50	14,566.44	77.48	58.26	265.00	385.00
Sub-standard Assets	503.08	160.88	75.46	16.08		
Doubtful Assets	574.86	440.70	416.17	196.02		
Loss Assets	3.77	96.88	3.77	96.88		
Total	17,483.21	15,264.90	572.88	367.24	265.00	385.00
Grand Total (1) + (2)	23,783.05	21,197.83	977.97	625.78	315.00	630.00

(3) Investments: **(₹ in crore)**

Particulars	Principal outstanding		Provision As per Norms	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Equity Shares	4.97	4.97	3.00	3.00
Equity Shares - Joint Venture	2.40	2.40	0.39	0.39
Bonds	1,220.00	1,295.00	0.00	0.00
Total	1,227.37	1,302.37	3.39	3.39

* The cumulative provision is excluding any provision on KFW Loans

18) The Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of ₹. 520/- per month.

19) **Related parties Disclosure :**

(a) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) MCM Infrastructure Pvt. Ltd.

(4) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year 2011-2012 :

Sl. No.	Director(s)	Status
1.	Shri V P Baligar,	Chairman & Managing Director (Whole time Director) (from 11.4.2011)
2.	Shri T. Prabakaran	Director (Finance) (Whole time Director) (from 29.12.2004 to 29.9.2011)

(c) Transactions with Joint Ventures :

(₹ in crore)

Proportion of ownership	**40%**	**26%**			
Nature of Transactions	**Shristi Urban Infrastructure Development Ltd.**	**Pragati Social Infrastructure & Development Ltd.**	**MCM Infrastructure Pvt. Ltd.**	**Signa Infrastructure India Ltd.**	**Total**
Investments					
Balance as at 31.3.2011	2.00	0.13	0.26	0.013	2.403
Additions during the year	0.00	0.00	0.00	0.00	0.00
Balance as at 31.3.2012	2.00	0.13	0.26	0.013	2.403

(d) Transactions with Key Management Personnel :

Repayment of staff loan and interest of ₹ NIL (Previous Year ₹ 0.007 crore of Ex-CMD Sh. K. L. Dhingra) to the Company .

(e) Managerial Remuneration :

(₹ in crore)

Particulars	**Shri V P Baligar, CMD**		**Shri T. Prabakaran, DF**		**Shri S. K. Tripathi, Ex-DCP**		**Shri K. L. Dhingra, Ex-CMD**	
	2011-12	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**	**2011-12**	**2010-11**
Salaries	0.149	0.000	0.074	0.137	0.005	0.087	0.000	0.003
Contribution to PF	0.000	0.000	0.009	0.018	0.000	0.000	0.000	0.002
Perquisites and other allowances	0.020	0.000	0.033	0.312	0.049	0.012	0.000	0.000
Total	0.169	0.000	0.116	0.467	0.054	0.099	0.000	0.005

20) **Information in relation to the interest of the Company in Joint Ventures as required under AS – 27.**

(a) **Details of Joint Ventures**

Name of the Company	**Contribution towards equity (₹ in crore)**	**Country of Residence**	**Proportion of ownership**	**Description of Interest**
Shristi Urban Infrastructure Development Ltd.	2.000	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.130	India	26%	Jointly controlled entity
MCM Infrastructure Pvt. Ltd.	0.260	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.013	India	26%	Jointly controlled entity
Total	**2.403**			

(b) **Proportionate Assets & Liabilities :**

(₹ in lakhs)

	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd.		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
Year ending	Un audited as at 31.3.2012	Audited as at 31.3.2011	Un audited as at 31.3.2012	Audited as at 31.3.2011	Un audited as at 31.3.2012	Audited as at 31.3.2011	Un audited as at 31.3.2012	Audited as at 31.3.2011
Fixed Assets	0.79	1.11	6.84	7.02	0.00	0.00	0.07	0.08
Investments	120.00	120.00	63.55	63.55	0.00	0.00	0.00	0.00
Deferred Tax Assets	0.28	0.15	0.00	0.00	0.00	0.00	0.00	0.00
Current Assets, Loans and Advances	165.89	132.71	0.18	0.18	11.52	10.53	24.46	22.57
Statement of Profit & Loss (Debit Balance)	0.00	0.00	19.54	16.99	0.00	0.00	0.00	0.00
Share of Total Assets	286.96	253.97	90.11	87.74	11.52	10.53	24.53	22.65
Reserves & Surplus	12.91	12.84	0.00	0.00	-14.52	-15.51	8.95	6.45
Current Liabilities and Provisions	74.04	41.13	8.06	5.74	0.04	0.04	14.26	14.89
Loans Funds	0.00	0.00	69.05	69.00	0.00	0.00	0.00	0.00
Deferred Tax Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01
Share of Total Liabilities (excluding Reserves & Surplus)	74.04	41.13	77.11	74.74	0.04	0.04	14.28	14.90
Operations Income	66.48	93.00	0.00	0.00	0.27	0.00	23.73	19.26
Other Income	0.12	0.02	0.00	3.10	0.82	0.61	0.07	0.05
Total Income	66.60	93.02	0.00	3.10	1.10	0.61	23.80	19.31
Share of Expenses	66.30	89.99	2.55	3.01	0.11	0.09	21.00	16.65
HUDCO's share in contingent liability of JV Co.	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Contingent liability for jointly controlled Company incurred by HUDCO	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Capital Commitment	Not available	Not available	Not available	Not available	Not available	Not available	Not available	Not available

21) **Additional Disclosure requirement as per NHB Directions**

(a) **Capital to Risk Assets Ratio (CRAR)**

	Particulars	31.3.2012	31.3.2011
i)	CRAR (%)	31.37	39.81
ii)	CRAR - Tier I capital (%)	31.37	39.81
iii)	CRAR - Tier II Capital (%)	0.00	0.00

(b) **Exposure to Real Estate Sector**

(₹ in crore)

		Category	2011-2012	2010-2011
a)	**Direct exposure**			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than ₹15 lakh)	30.80	32.20
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to ₹ 15 lakh)	222.84	264.38
		Total	253.64	296.58
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	5723.29	5947.38
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	0.00	0.00
		(a) Residential	0.00	0.00
		(b) Commercial Real Estate	0.00	0.00
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		0.00	0.00

(c) **Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as on 31.3.2012 :

(₹ in crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	1357.84	29.92	175.72	553.51	934.13	2451.37	631.44	0.00	0.00	0.00	6133.93
Market Borrowings	120.78	1055.76	219.83	96.36	1696.75	2415.66	2604.73	238.11	404.51	3836.05	12688.54
Assets											
Advances	59.35	544.42	298.15	943.08	1856.74	6620.68	4459.74	2962.44	2815.80	1929.69	22490.09
Investments	0.00	0.00	0.00	0.00	410.00	140.00	200.00	200.00	270.00	3.98	1223.98

22) (a) Till the year ended 31st March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Consequently, the Company has reclassified previous year figures to conform to this year's classification.

(b) Figures in rupees have been rounded off to crore without decimals except where specifically indicated.

SCHEDULE- T
NOTES FORMING PART OF THE ACCOUNTS

1) Contingent Liabilities not provided for :

			(Rs. in crore)
		2010-2011	**2009-2010**
A	Claims of Contractors not acknowledged as debts	9.16	10.32
	Counter claims of the Company	0.88	1.06
B	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	28.99
C	Disputed Income tax and Interest tax demands against which Company has gone in appeal. The Company has paid Rs.229.67 crore (previous year Rs. 223.88 crore) under protest	276.29	256.31
D	Disputed Service tax demands against which Company has gone in appeal. The Company has paid Rs. 0.25 crore (previous year Rs. 0.04 crore) under protest	4.95	4.15
E	Counter claims of various parties for damages against Company's claim in Civil Courts	0.39	142.51
F	Estimated amount of commitments remaining to be executed on capital account	18.13	15.89

2) (a) The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc. As such, liability whenever ascertained / finalised shall be met out of AGP project surplus funds.

(b) The Company has undertaken Andrews Ganj Project (AGP) on behalf of the then Ministry of Urban Affairs (MOUA). As per perpetual lease deed, the Company is liable to make available net resources from the development and disposal of properties of the project to the Ministry and accordingly the Company was paying interest on net resources generated on the project upto 3.11.2004 and thereafter a separate no lien account has been opened under the name of HUDCO AGP Surplus Account into which the surplus lying to their credit had been deposited and interest accrued / earned on no lien account is being credited to that account. MOUD has intimated that the Company cannot pass on the financial liability to the Government on account of disputes. However, the Company has represented that as per perpetual lease deed, the Company is liable to make available "net resources generated" from the development and disposal of properties of the project to the Ministry which means that all out-goings on the project including those on litigation & arbitration expenses and award / decree etc., in respect of disputes have to be debited to this project and as such there is no liability of the Company.

(c) An amount of Rs. 17.98 crore was initially deposited with Municipal Corporation of Delhi (MCD) on account of property tax of Andrews Ganj Project for the period upto 4.7.1997 i.e. upto the execution of perpetual lease deed although there was no liability of property tax on HUDCO. The Hon'ble Supreme Court decided in favour of HUDCO and the entire amount of Rs.17.98 crore along with interest amounting to Rs. 24.47 crore is recoverable from MCD upto 31.3.2011, out of which an amount of Rs. 11.46 crore has been refunded by MCD on 3.10.2005 which has been adjusted against interest. No demand has been raised by MCD for payment of property tax for the period after 4.7.1997. In case of any demand from MCD after 4.7.1997, the same will be met out of the AGP Surplus Account. Moreover as per opinion of Solicitor General of India no property tax is payable on the land owned by Government of India. Further, HUDCO filed Contempt petition against MCD in Supreme Court. MCD vide their counter affidavit has pleaded a set off of Rs. 27.92 crore as against Rs. 25.06 crore (payable as on 30.6.2008) demanded by HUDCO. HUDCO has filed rejoinder affidavit to the counter affidavit filed by MCD. The matter is now fixed for final hearing on 13.7.2011.

(d) The Company had allotted a hotel site including car parking space to M/s. M S Shoes East Limited (MSSEL). Due to default in payment of installments, the Company had cancelled the allotment of hotel site including car parking space and forfeited the first installment paid by MSSEL in terms of the allotment letter. The hotel site including car parking space was subsequently re-allotted to M/s. Leela Hotel Ltd. (LHL) erstwhile (M/s. Leela Hotel and Convention Center) now known as Hotel Leela Venture Ltd. subject to the final outcome of the decision of Hon'ble Additional District Judge on the suit filed by MSSEL. At present, the matter is sub-judice before Tis Hazari Court, Delhi. The possession of the hotel site and car parking space, which was handed over to LHL, has been taken back by the Company because of cancellation as per allotment terms due to non-payment of 3rd and final installment by LHL. On 12.7.1999, 50 percent of the amount deposited, by LHL was forfeited and balance amount of Rs. 67.53 crore was refunded to LHL after adjusting the overdue ground rent and property tax dues. LHL, against this cancellation, sought arbitration wherein the Learned Arbitrator has passed an award directing the Company to refund the amount forfeited along with interest. The award has been upheld by the Single Bench of Hon'ble High Court of Delhi and the amount of Rs. 89.78 crore, being balance principal amount, was deposited by HUDCO in the Hon'ble High Court of Delhi as per Court directions. The payment was made out of AGP Surplus and has since been released by Hon'ble High Court of Delhi to LHL. The Company's appeal against the Order of Single Bench before the Double Bench of Hon'ble High Court of Delhi has also been dismissed. The Company has filed SLP before the Hon'ble Supreme Court against the orders of Double Bench. The Hon'ble Supreme Court has admitted HUDCO's SLP and has stayed the recovery of interest amount. However, the Hon'ble Supreme Court has directed the Company to deposit 50% of the balance decreed amount consisting of interest in the executing court i.e. Hon'ble High Court of Delhi. The Company has accordingly deposited Rs. 59.61 crore in the Hon'ble High Court of Delhi on 23.3.2006 out of HUDCO AGP Surplus Account and amount has been released by the High Court to Leela Hotels on furnishing of bank Guarantee on 12.10.2006. The case came up for final arguments on 12.2.2008 before Supreme Court of India. The Hon'ble Supreme Court of India upheld the award dated 25.6.2002 passed by the Justice R.S. Pathak (ex-Chief Justice of India) except for the interest for pre-award period which has now been reduced by Hon'ble Supreme Court of India from 20% p.a. to 18% p.a. and dismissed the SLP filed by HUDCO.

LHL has filed execution petition No. 48 of 2006 before High Court of Delhi. HUDCO calculated the balance amount payable to LHL as Rs. 48.09 crore and filed an application before the Executing Court for the payment. The said amount has been paid to LHL as per Court Order on 12.5.2008. As per calculation of HUDCO, nothing remains payable after the last payment of Rs. 48.09 crore. The amount paid by HUDCO has been calculated by HUDCO by adjusting the amount first towards principal and then towards interest. However, LHL have calculated the amount payable by HUDCO after adjusting the payments first towards interest and then towards principal.

The issue of adjustment of amount paid by HUDCO came up for hearing before the Single Judge Bench of the High Court of Delhi (i.e. Executing Court) on 19.11.2008. High Court has ordered that HUDCO should make the payment by adjusting the amount paid towards interest first then towards the principal and that HUDCO should make the payment as per calculation of decree holder (i.e. LHL).

HUDCO filed execution first appeal before the Division Bench of the High Court on 3.1.2009 against the Single Judge order dated 19.11.2008. In the meantime HUDCO deposited a sum of Rs. 50.54 crore with execution court with the approval of competent authority to avoid future liability.

Division Bench vide its order dated 20.7.2009 expressed the view that calculation made by Leela Hotels Ltd. is not correct and allowed the appeal filed by HUDCO by upholding interalia, that amount of Rs. 89 crore paid by HUDCO be adjusted towards principal amount.

The amount claimed by Leela Hotels Ltd. as on 15.10.2009 even in terms of Division Bench order dated 20.7.2009 is Rs. 107.91 crore. Against the order of Division Bench Leela Hotels has filed an SLP before Supreme court of India.

The Execution Court i.e. Delhi High Court vide its order dated 28.10.2009 had ordered that , the amount of Rs. 50.54 crore paid to the decree holder (Leela Hotels) as per order dated 15.5.2009 to be deposited by the decree holder in the Registry of this Court within a period of five weeks from 28.10.2009. Thereafter, this Court would consider the rival submissions advanced by both the parties including the issue of interest payable by the decree holder to the Judgment debtor (HUDCO) on the amount directed today to be refunded. As and when the said amount is deposited by the decree holder, the Registry is directed to make a short-term fixed deposit of 45 days.

After the Order of Executing Court dated 28.10.2009, M/s. Leela filed stay application in the Hon'ble Supreme Court on 6.11.2009. Application came up for hearing on 10.11.2009. After hearing both the parties, Hon'ble Supreme Court granted interim stay against the order of Division Bench of Delhi High Court. The SLP is coming up for final disposal on 12.7.2011. The Delhi High Court has stayed the execution proceedings *sine die* keeping in view the pendency of aforesaid SLP.

(e) The allotment of 9 blocks of guest houses and restaurants, kitchens and shops, which were allotted to MSSEL, was cancelled and first installment paid by MSSEL was forfeited as per terms of allotment letter. MSSEL filed suit in the Hon'ble District Court Delhi. Further, on an appeal filed by HUDCO against the interim order of Hon'ble District Court, Delhi, the Hon'ble High Court of Delhi has transferred the case to itself by directing the MSSEL to pay the ad-valorem court fee on the suit amount which has since been paid by MSSEL. At present, the case is pending with Hon'ble High Court of Delhi. MSSEL has filed two applications seeking HUDCO to produce 324 original documents and L&DO to produce 209 documents. The reply has been filed by HUDCO along with application for framing of preliminary issues. MSSEL has filed the reply to the application filed by HUDCO. HUDCO has filed two applications one for the vacation of stay and other for the rejection of plaint. The applications came up hearing on 24.5.2010 before Delhi high court whereby the application u/o. 39 R. 4, CPC was pressed for hearing for vacation / modification of the interim order dated 23.2.1998 operating against the parties. Court held that no cause of action has been made for altogether complete vacation of interim order. The earlier order passed in appeal dated 17.12.2003 ought to be enforced in so as it allows HUDCO to lease out the suit property. Court directed HUDCO to implement the said order and call out for application for leasing the suit property by publishing public notice. In terms of the order, the application u/o. 39 R.4 stands disposed off. Further, HUDCO to file affidavit in compliance of Order 11 Rule 12 seeking discovery and production of documents within 6 weeks. Parties are directed to file original documents if any, within 4 weeks. The applications of HUDCO are fixed for hearing on 29.7.2011 before Delhi High Court. The Admission / Denial of the documents in person by the officers of HUDCO are to be done before Joint registrar Delhi High Court on 25.8.2011.

(f) The arbitrator has passed an award in respect of allotment of site in Shopping Arcade to M/s. Ansal Properties and Industries Ltd. (APIL) on 28.7.2005 in favour of APIL directing HUDCO to pay Rs. 8.84 crore and further interest @18% p.a. from 1.8.2005 till payment. Arbitrator has allowed the counter claim of HUDCO and directed APIL to pay approximately Rs. 0.85 crore maintenance charges as billed by M/s. Habitat Services Centre (HSC) w.e.f. 1.1.2001 upto 31.7.2005 within 3 months from the date of award failing which APIL shall have to pay interest thereon @18% p.a. HUDCO has challenged the award before the Hon'ble High Court of Delhi and, as per the directions of the Court, has deposited a sum of Rs. 7.99 crore in the Court out of HUDCO AGP Surplus Account to save future interest liability which has since been released to APIL by the court against the security of Bank Guarantee. The Other miscellaneous petition of HUDCO will be listed as a regular matter and will come up for hearing in due course of time.

(g) APIL has invoked arbitration for refund of ground rent paid by it from the date of handing over the possession i.e. November, 1995 to the date of commercial use of the shopping arcade by APIL i.e. October, 1999 and the arbitrator has pronounced the award on 21.7.2006 holding therein that APIL is not liable to pay the ground rent up to October 1999 till meaningful possession was given to APIL i.e. till the shopping arcade was constructed and become operational in October 1999. The amount of Rs. 3.93 crore deposited by APIL earlier has been directed to be adjusted towards the future ground rent payment due w.e.f from November 1999. Interest @ 7% p.a. for the delayed payment has also been awarded by the arbitrator w.e.f. November 1999. HUDCO has filed petition u/s. 34 of Arbitration and Conciliation Act challenging the award before the Hon'ble High Court of Delhi. Further, the Hon'ble High Court of Delhi has directed APIL to pay the overdue Ground Rent from October 1999 to October 2003 in 24 monthly installments starting from September 2005. APIL has paid the same monthly installment of Rs. 0.49 crore and same has been deposited with L&DO as per lease conditions. HUDCO has again filed the Company Petition u/s. 433 & 434 of the Companies Act against APIL for winding up before the Hon'ble High Court of Delhi due to non-payment of Ground Rent and interest thereof by APIL from October, 2003 onwards. Company Petition has been filed in May, 2006. HUDCO's Advocate has filed written synopsis in the matter. Pleadings are complete in the matter. Now the Company Petition u/s. 433 & 434 of Companies Act filed by HUDCO is coming up for final disposal on 4.7.2011.

3) Debentures / Bonds / PDS aggregating to Rs. 29.60 crore towards interest and principal (Previous Year Rs. 32.84 crore) were due and unclaimed as on 31.3.2011. During the year no unclaimed amount which is required to be transferred to "Investor Education and Protection Fund" after completion of statutory period of seven years is due for transfer (Previous Year also Rs. NIL crore). However, an old amount of Rs. 1.13 crore which is required to be transferred after completion of statutory period of seven years has also not been transferred due to the instructions of the Judiciary.

4) (a) The Company has procedure for seeking confirmation of outstanding balances at each quarter end from all the borrowers except cases under litigation. Confirmation of balances covering approximately 86% in value of the total project loan outstanding have been received from the borrowers. However, in those cases where agencies have informed different balances, the reconciliation is under process.

(b) The NPA provision as per NHB norms has been reduced by Rs. 2.21 crore during the year which stood at Rs. 625.78 crore as on 31.3.2011 (as against Rs. 627.99 crore as on 31.3.2010).

During the year the Company has made an additional provision of Rs. 30 crore resulting in cumulative additional provisioning of Rs. 630 crore (Previous Year Rs. 600 crore) over and above NHB Norms. 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. 1255.78 crore as on 31.3.2011 (against Rs. 1227.99 crore as on 31.3.2010).

(c) At the instance of Government of Kerala the Company had granted a Default Resolution Package to M/s. Cochin International Airport Ltd. (CIAL) and entered into an package loan agreement dated 7.3.2003, according to which, CIAL had agreed to allot equity shares of Rs. 52 crore (being 26% of equity share capital of CIAL) at par value of Rs. 10/- per equity share. CIAL instead of allotting the shares of Rs. 52 crore sent repayment of the entire balance loan together with interest upto 15.9.2004 vide its letter dated 16.9.2004 amounting to Rs. 63.49 crore as per their calculation, which was not accepted by the Company.

Since the CIAL did not agree to the Company's demand of allotting equity shares worth Rs. 52 crore (equivalent to 26% of the capital at par) to the Company, the Company filed a case before Debt Recovery Tribunal (DRT) at New Delhi. Stay has been obtained as an interim order dated 27.4.2006 restraining CIAL from creating any third party interest in Rs. 52 crore worth, 26% of the CIAL equity shares agreed to be issued to the Company. Against this, the agency has filed two interim applications before DRT, Delhi challenging the jurisdiction of DRT, Delhi and getting the stay vacated. CIAL has also deposited an amount of Rs. 73.31 crore with Registrar, DRT-I Delhi Account indicating the same as their liability as per their calculations. However, the Company has not withdrawn the money. Interim Application for jurisdiction was dismissed in HUDCO's favour in 2008. Against the dismissal of jurisdiction petition agency has filed writ petition before High Court, Delhi wherein the Hon'ble High Court vide order dated 23.12.2009 has disposed off the Writ Petition against HUDCO. Aggrieved by the Order of Hon'ble Division Bench of Delhi High Court, HUDCO preferred SLP (No. 3836 / 2010) before Hon'ble Supreme Court thereby challenging the said order of Delhi High Court mainly on the ground that the High Court has not considered the Law laid down by the Apex Court i.e. the definition of "debt" shall be taken in its widest amplitude to mean any liability. However, the Hon'ble Supreme Court has not admitted the aforesaid SLP filed by HUDCO.

Upon dismissal of SLP by Hon'ble Supreme Court, HUDCO, as per the legal advice has now filed the Review Application before High Court of Delhi on 15.3.2010 in Civil Writ Petition No. 6531 / 2008 with prayers to review/modify the judgment/order dated 23.12.2009 to the extent that prayer 6(b) and 6(c) regarding alternate prayer for money decree of Rs. 780 crore being the market value of the shares and money decree of Rs. 2.28 crore being the balance loan dues respectively and other prayers made in OA No. 10 / 2006 will remain pending and be adjudicated by DRT, Delhi in accordance with law and also direct the DRT, Delhi to immediately pay / release the aforesaid balance loan amount of Rs. 2.28 crore alongwith further interest thereon out of the amount lying deposited by CIAL with DRT, Delhi.

The aforesaid Review Application came up for hearing on 23.7.2010, after hearing the arguments of both sides the Hon'ble bench reserved its judgement which is still pending.

In view of the limitation aspect, a Civil Suit for specific performance of contract for issuing shares etc has been filed by HUDCO against CIAL on 30.10.2010 before the Hon'ble Principal Sub-Court, Ernakulam. HUDCO's Interim Application for obtaining an injunction against CIAL alienating the shares, has been allowed. The Hon'ble Court disposed off the IA No 46/2011 filed by CIAL on limitation aspect, upholding that the suit filed by HUDCO is not barred by limitation. Aggrieved by this decision of the Sub-Court, CIAL has filed Writ Petition in the High Court of Kerala and accordingly, the proceedings before the Civil Court has been stayed till 04.07.2011.

The matter is being followed up with State Government and CIAL for issue of equity shares pending which the total outstanding as on 31.3.2011 is being shown against CIAL as a loan till allotment of shares by CIAL to the Company to the extent of Rs. 52 crore (equivalent to 26% of the equity capital of CIAL) during intrequnum period.

Till the conclusion of the DRT Delhi proceedings the loan has been classified as NPA and necessary provision has been made as per NHB norms.

5) Housing Loans granted by the Company under HUDCO Niwas Scheme are secured fully / partly by :

(a) Equitable Mortgage of the property and / or

(b) Undertaking to create security through execution of Tripartite Agreement between the Company, borrower and the Developing Authority / Developer ;

In addition to (a) & (b) above, the assignment of Life Insurance Policies, pledge of National Saving Certificates, Fixed Deposits, etc. are also obtained in certain cases.

6) The Company has continued the practice of restating monetary assets / liabilities in foreign currency at the exchange rate (RBI reference rate) as on the date of Balance Sheet. Accordingly a foreign currency fluctuation loss of on account of interest payments / provision as on 31.3.2011 is Rs. 9.61 crore (Actual loss Rs. 3.08 crore and notional loss of Rs. 6.53 crore). In the previous year there was a Foreign currency fluctuation profit of Rs. 75.16 crore (Actual Rs. 38.84 crore and notional Rs. 36.32 crore).

7) The Company has adopted AS-15 (revised 2005) 'Employees Benefits'. Defined employee benefit schemes are as follows:

(a) The Company pays fixed contribution of Provident Fund at a predetermined rate to a separate trust, which invests the funds in permitted securities. The trust is required to pay a minimum notified rate of interest on contribution to the members of the trust. The fair value of the assets of the Provident Fund including the returns of the assets thereof, as at 31.3.2011 is less than the obligation under the defined contribution plan. Accordingly a provision of Rs. 13.94 crore on actuarial valuation of Provident Fund has been made as at the year end since the provident fund scheme additionally requires the Company to guarantee the payment of interest at rates notified by the Central Government from time to time.

(b) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provision of the payment of Gratuity Act, 1972. The scheme is funded by the Company and is managed by a separate trust. The liability of Gratuity is recognized on the basis of actuarial valuation as at the year end.

(c) The summarized position of various defined benefit schemes recognised in the Profit & Loss Account, Balance Sheet and the funded status are as under:

(Rs. in crore)

	Gratuity		Leave Encashment				Post Retirement Medical Benefits	
			EL		HPL			
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1. Component of Employer Expenses								
a. Current Service Cost	1.36	0.98	0.97	0.60	0.46	0.28	2.26	2.91
b. Interest Cost	1.86	1.16	1.12	0.56	0.54	0.28	3.87	3.93
c. Past Service Cost	-	-	-	-	-	-	-	-
d. Expected return on plan assets	(2.59)	(1.74)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
e. Actuarial (Gain) / Loss	2.80	4.62	2.57	5.79	1.58	2.38	4.15	(8.18)
f. Recognised in the P&L A/c.	3.43	5.02	4.67	6.95	2.58	2.94	10.28	(1.34)
2. Net Asset / (Liability) recognised in Balance Sheet as at 31.3.2011								
a. Present value of Obligation as at 31.3.2011	27.01	22.75	17.64	14.09	8.61	6.69	63.17	54.45
b. Fair Value of plan assets as at 31.3.2011	31.33	26.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Liability/ (Assets) recognised in Balance Sheet	(4.32) *	(3.42)	17.64	14.09	8.61	6.69	63.17	54.45
3. Change in present value of obligation as on 31.3.2011								
Present Value of obligation as at 31.3.2010	22.75	16.63	14.09	8.84	6.69	4.19	54.45	56.56
Current service cost	1.36	0.98	0.97	0.60	0.46	0.28	2.26	2.91
Interest Cost	1.86	1.16	1.12	0.56	0.54	0.28	3.87	3.93
Actuarial (Gain) / Loss	2.65	4.04	2.57	5.79	1.58	2.38	4.15	(8.18)
Benefits Paid	(1.60)	(0.06)	(1.12)	(1.70)	(0.66)	(0.44)	(1.55)	(0.78)
Present Value of obligation as at 31.3.2011	27.01	22.75	17.64	14.09	8.61	6.69	63.17	54.45
4. Change in the Fair Value of Plan Assets								
Present value of plan assets as on 31.3.2010	26.17	11.91	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual return on Plan Assets	2.43	1.16	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Actual Company Contribution	4.32	13.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Benefits Paid	(1.60)	(0.06)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Plan Assets as at 31.3.2011	31.33	26.17	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Actuarial Assumptions								
Discount Rate (per annum)	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Expected rate of returns on plan assets (p.a.)	9.40	9.40	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Salary increase rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6. Details of the Plan Assets at cost as on 31.3.2011								
Government of India Securities, Corporate Bonds etc.	-	-						
Gratuity Fund Managed by Insurer	100%	100%						

The estimates of future salary increase on account of inflation, promotions and other relevant factors have been considered in actuarial valuation.

* The Assets of Rs. 4.32 crore on Gratuity has not been recognised in the Balance Sheet, since the fair value of plan assets is more than the present value of defined benefit obligations as on 31.3.2011.

8) The Company is complying with NHB's credit concentration norms in respect of private sector agencies. However, the Company is not able to comply with National Housing Bank's credit concentration norms in respect of lending to some State Government / Government Agencies, which state that a Housing Finance Company's agency wise exposure should not exceed 15% of its net owned funds.

Further, NHB vide its letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 has given relaxation from credit concentration norms which is reproduced as under:

"The Bank after taking into consideration the role envisaged for HUDCO by the Ministry of Housing & Urban Poverty Alleviation, in terms of the MOU signed between HUDCO and the Ministry, it has been decided to grant permission to HUDCO for lending upto 50% of its Net Owned Fund (NOF) to the Government Agencies (under individual borrower exposure) only for housing and housing related infrastructure and upto 100% of its NOF to the individual State Governments (under group exposure). However, the above permission will not be applicable in respect of HUDCO's lending to builders and private parties, and cooperatives, in respect of whom, the extant provisions of the Directions will continue to apply."

9) Income Tax as applicable in respect of Interest accrued on bonds / debentures which are not listed on recognized Stock Exchange, is deducted at source at the time of actual payment of interest to the bondholders / debenture holders since bonds / debentures are transferable by endorsement & delivery.

10) The Company has not received information from vendors / suppliers regarding their status under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence disclosure relating to amount unpaid at the year end together with interest paid or payable under this Act has not been given.

11) There are no separate business / geographical reportable segments as per the Accounting Standard AS-17 "Segment Reporting" since the main business of the Company is to provide finance for Housing / Infrastructure projects and all other activities of the Company revolve around the main business.

12) Provision of Impairment loss as required under Accounting Standard AS-28 "Impairment of Assets" is not necessary, as in the opinion of management; there is no impairment of assets during the year.

13) The Company makes provision on doubtful debtors and advances which are outstanding for more than three years.

14) During the year the buildings situated at Bhikaji Cama Place, New Delhi which were earlier shown as work completed under the head "Current Assets" have been capitalized, due to that Company has provided depreciation of Rs. 9.61 crore effective from 2002-2003.

15) The Board vide their meeting held on 22.2.2010 has approved a special non – lapsable budget of 3% of the net profit for the year 2009-2010 which would be used for Corporate Governance Social Responsibility (CSR) activities. The Company would maintain a Memorandum Account for the CSR budget and expenses thereon. The Company has incurred an expenditure of Rs. 4.99 crore on CSR activities till 31.3.2011 out of budget of Rs. 14.86 crore.

16) The Company's significant leasing arrangements are in respect of operating leases for office premises. These leasing arrangements which are not non-cancelable range between 1 and 30 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Office Rent under Schedule-Q of the Profit & Loss Account. Further there is no financial lease as Company's leasing arrangements does not transfer substantially all other risks & rewards incidental to the ownership of an asset.

17) **Details of Expenditure / Earnings in foreign currency :**

(Rs. in crore)

Particulars	**2010-2011**	**2009-2010**
Expenditure		
a) Traveling & Entertainment	0.04	0.04
b) Others	-	-
c) Interest on foreign loan	6.82	8.30
Earnings		
a) Interest on foreign deposit	1.86	4.25

18) **Earnings Per Share:**

Particulars	**Year ended 31.3.2011**	**Year ended 31.3.2010**
Net Profit for the year attributable to equity shareholders (Rs. in crore) (a)	550.03	495.31
Weighted Average number of Equity Shares (b)	2,00,19,000	2,00,19,000
Basic / Diluted Earning Per Share of Rs. 1000/- each (Rs.) (a / b)	274.75	247.42

19) **Deferred Tax Assets / Liabilities :**

The deferred tax Assets / Liabilities as on 31.3.2011 comprise of the following:-

(Rs. in crore)

Particulars	**As at 31.3.2010**	**During the Year**	**As at 31.3.2011**
Provision on investment	1.13	(0.03)	1.10
Provision for Debtors	0.11	0.45	0.56
Provision on Loans	407.94	(0.44)	407.50
Provision on Jabalpur Earthquake	1.66	(0.04)	1.62
Provision for staff loans	0.03	-	0.03
Provision on advances	0.15	-	0.15
Provision for leave encashment	6.90	1.62	8.52
Provision for retirement benefit	18.09	2.41	20.50
Provision for Welfare Expenses	0.08	-	0.08
Provision for LTC	4.86	(1.15)	3.71
Provision for PF Contribution	-	4.52	4.52
43 B Interest Disallowed in current year and claimed in subsequent years	9.03	(0.21)	8.82
Total Assets (A)	**449.98**	**7.13**	**457.11**
Depreciation	5.73	(2.02)	3.71
Special Reserve u/s 36(1)(viii) of Income Tax Act	681.61	53.64	735.25
Total Liabilities (B)	**687.34**	**51.62**	**738.96**
Net deferred tax assets / (liabilities) (A) - (B)	**(237.36)**	**(44.49)**	**(281.85)**

20) Disclosure regarding provisions made for loans and depreciation in investments as per National Housing Bank Guidelines on prudential norms applicable to Housing Finance Companies.

(1) HOUSING FINANCE BUSINESS:

Loans : **(Rs. in crore)**

Assets Classification	Principal outstanding		Provision As per Norms *		Additional provision	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010	2010-2011	2009-2010
Standard (considered good)	5,403.79	5,739.21	9.84	-	245.00	450.00
Sub-standard Assets	80.90	96.29	8.09	9.63		
Doubtful Assets	380.76	422.07	173.13	182.94		
Loss Assets	67.48	77.99	67.48	77.99		
Total	5,932.93	6,335.56	258.54	270.56	245.00	450.00

(2) NON HOUSING FINANCE BUSINESS:

Loans :

Assets Classification	Principal outstanding		Provision As per Norms		Additional provision	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010	2010-2011	2009-2010
Standard (considered good)	14,566.44	13,254.86	58.26	53.02	385.00	150.00
Sub-standard Assets	160.88	118.60	16.08	11.86		
Doubtful Assets	440.70	507.06	196.02	232.11		
Loss Assets	96.88	60.44	96.88	60.44		
Total	15,264.90	13,940.96	367.24	357.43	385.00	150.00
Grand Total (1) + (2)	21,197.83	20,276.52	625.78	627.99	630.00	600.00

(3) Investments:

Particulars	Principal outstanding		Provision As per Norms	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Equity Shares	4.97	4.97	3.00	3.00
Equity Shares - Joint Venture	2.41	2.41	0.39	0.39
Bonds	1,295.00	1520.00	-	-
Total	1,302.38	1,527.38	3.39	3.39

* The cumulative provision is excluding any provision on KFW Loans

21) The Chairman and Managing Director and Whole time Directors are entitled to use staff car for private use upto 1,000 km. per month against payment of Rs. 520/- per month.

22) **Related parties Disclosure :**

(a) Joint Ventures

(1) Shristi Urban Infrastructure Development Ltd.

(2) Pragati Social Infrastructure & Development Ltd.

(3) MCM Infrastructure Pvt. Ltd.

(4) Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year 2010-2011 :

Sl. No.	Director(s)	Status
1.	Shri K. L. Dhingra	Chairman & Managing Director (Whole time Director) (from 24.9.2007 upto 7.4.2010)
2	Shri T. Prabakaran	Director (Finance) (Whole time Director) (from 29.12.2004)

(c) Transactions with Joint Ventures :

(Rs. in crore)

Proportion of ownership	**40%**	**26%**			
Nature of Transactions	**Shristi Urban Infrastructure Development Ltd.**	**Pragati Social Infrastructure & Development Ltd.**	**MCM Infrastructure Pvt. Ltd.**	**Signa Infrastructure India Ltd.**	**Total**
Investments					
Balance as at 31.3.2010	2.00	0.13	0.26	0.013	**2.403**
Additions during the year	-	-	-	-	-
Balance as at 31.3.2011	2.00	0.13	0.26	0.013	**2.403**

(d) Transactions with Key Management Personnel :

Repayment of staff loan and interest of Rs. 0.007 crore (Previous Year Rs. 0.003 crore) to the Company by Sh. K. L. Dhingra, Chairman & Managing Director.

23) **Information in relation to the interest of the Company in Joint Ventures as required under AS – 27.**

(a) **Details of Joint Ventures**

Name of the Company	**Contribution towards equity (Rs. in crore)**	**Country of Residence**	**Proportion of ownership**	**Description of Interest**
Shristi Urban Infrastructure Development Ltd.	2.000	India	40%	Jointly controlled entity
Pragati Social Infrastructure & Development Ltd.	0.130	India	26%	Jointly controlled entity
MCM Infrastructure Pvt. Ltd.	0.260	India	26%	Jointly controlled entity
Signa Infrastructure India Ltd.	0.013	India	26%	Jointly controlled entity
Total	**2.403**			

(b) **Proportionate Assets & Liabilities :**

(Rs. in crore)

	Shristi Urban Infrastructure Development Ltd.		Pragati Social Infrastructure & Development Ltd.		MCM Infrastructure Pvt. Ltd.		Signa Infrastructure India Ltd.	
Year ending	Un audited as at 31.3.2011	Audited as at 31.3.2010	Un audited as at 31.3.2011	Audited as at 31.3.2010	Un audited as at 31.3.2011	Audited as at 31.3.2010	Un audited as at 31.3.2011	Audited as at 31.3.2010
Fixed Assets	0.01	0.01	0.07	0.07	-	-	- *	-
Investments	1.20	1.20	0.63	5.87	0.10	0.09	0.00	0.00
Deferred Tax Assets	- *	- *	-	-	-	-	-	-
Current Assets, Loans and Advances	1.33	1.43	- *	- *	- *	0.02	0.23	0.18
Profit & Loss Account (Debit Balance)	-	-	0.40	0.17	0.16	0.16	-	-
Share of Total Assets	2.54	2.64	1.10	6.11	0.26	0.26	0.23	0.18
Reserves & Surplus	0.13	0.10	-	-	-	-	0.06	0.04
Current Liabilities and Provisions	0.28	0.56	0.28	0.04	- *	- *	0.15	0.13
Loans Funds	0.13	-	0.69	5.95	-	-	-	-
Deferred Tax Liabilities	-	-	-	-	-	-	- *	- *
Share of Total Liabilities (excluding Reserves & Surplus)	0.41	0.56	0.97	5.98	-	-	0.15	0.13
Operations Income	0.93	0.87	-	-	-	-	0.19	0.15
Other Income	- *	- *	2.16	- *	0.01	0.01	-	-
Total Income	0.93	0.87	2.16	- *	0.01	0.01	0.19	0.15
Share of Expenses	0.90	0.84	2.39	0.03	- *	- *	0.17	0.13
HUDCO's share in contingent liability of JV Co.	**Not available**	**NA**	**Not available**	**NA**	**Not available**	**NA**	**Not available**	**NA**
Contingent liability for jointly controlled Company incurred by HUDCO	Not available	Nil	Not available	Nil	Not available	Nil	Not available	Nil
Capital Commitment	Not available	Nil	Not available	Nil	Not available	Nil	Not available	Nil

* Negligible Amount.

24) **Additional Disclosure requirement as per NHB Directions**

(a) **Capital to Risk Assets Ratio (CRAR)**

	Particulars	31.3.2011	31.3.2010
i)	CRAR (%)	39.81	42.33
ii)	CRAR - Tier I capital (%)	39.81	41.51
iii)	CRAR - Tier II Capital (%)	-	0.81

(b) **Exposure to Real Estate Sector**

(Rs. in crore)

		Category	Current Year	Previous Year
a)	**Direct exposure**			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans more than Rs. 0.15 crore)	225.86	237.76
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 0.15 crore)	632.92	754.08
		Total	858.78	991.84
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	0.46	0.08
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures –	-	-
		(a) Residential	-	-
		(b) Commercial Real Estate	-	-
b)	**Indirect Exposure**		-	-
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		-	-

(c) **Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as on 31.3.2011 :

(Rs. in crore)

	1day to 30-31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Liabilities											
Borrowings from banks	274.75	37.00	186.93	436.40	1,262.12	3,474.38	934.06	118.88	139.97	177.11	7,041.60
Market Borrowings	81.37	93.54	114.94	1,026.45	1,710.16	3,486.42	1,374.45	719.73	44.83	85.17	8,737.06
Assets											
Advances	133.95	639.97	231.84	913.54	2,527.77	6,080.66	4,549.76	2,343.69	1,994.13	1,049.28	20,464.59 *
Investments	-	-	-	-	75.00	470.00	280.00	200.00	270.00	3.98	1,298.98

* Including KfW loans amounting to Rs. 7.92 crore and excluding default principal of Rs. 741.16 crore.

25) (a) Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with figures for the current year.

(b) Figures in rupees have been rounded off to thousands without decimals except where specifically indicated.

Annexure VI

RELATED PARTY DISCLOSURE:

(a) Name of Joint Ventures

S. No.	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
1	Shristi Urban Infrastructure Development Ltd.	Shristi Urban Infrastructure Development Ltd.	Shristi Urban Infrastructure Development Ltd.	Shristi Urban Infrastructure Development Ltd.	Shristi Urban Infrastructure Development Ltd.
2	Pragati Social Infrastructure & Development Ltd.	Pragati Social Infrastructure & Development Ltd.	Pragati Social Infrastructure & Development Ltd.	Pragati Social Infrastructure & Development Ltd.	Pragati Social Infrastructure & Development Ltd.
3	MCM Infrastructure Pvt. Ltd.	MCM Infrastructure Pvt. Ltd.	MCM Infrastructure Pvt. Ltd.	MCM Infrastructure Pvt. Ltd.	MCM Infrastructure Pvt. Ltd.
4	Signa Infrastructure India Ltd.	Signa Infrastructure India Ltd.	Signa Infrastructure India Ltd.	Signa Infrastructure India Ltd.	Signa Infrastructure India Ltd.

(b) Key Management Personnel during the year

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Name of Directors					
Dr. M. Ravi Kanth	Chairman & Managing Director (Whole time Director) (from 11.04.2014)	-	-	-	-
Shri V P Baligar	Chairman & Managing Director (Whole time Director) (from 11.04.2011 to 10.04.2014)	Chairman & Managing Director (Whole time Director) (from 11.04.2011)	Chairman & Managing Director (Whole time Director) (from 11.04.2011)	Chairman & Managing Director (Whole time Director) (from 11.04.2011)	-
Shri K. L. Dhingra	-	-	-	Chairman & Managing Director (Whole time Director) (from 24.09.2007 upto 07.04.2010)	Chairman & Managing Director (Whole time Director) (from 24.09.2007 upto 07.04.2010)
Sh. Anil Kumar Kaushik	Director Finance (Whole time Director) (from 30.05.2013) *	Director Finance (Whole time Director) (from 30.05.2013)	-	-	-
Shri T. Prabakaran	-	-	-	Director Finance (Whole time Director) (from 29.12.2004 upto 29.09.2011)	Director Finance (Whole time Director) (from 29.12.2004 upto 29.09.2011)
Shri N. L. Manjoka	Director Corporate Planning (Whole time Director) (from 11.04.2013)	Director Corporate Planning (Whole time Director) (from 11.04.2013)			
Shri Harish Sharma	Company Secretary (from 06.11.2013)	Company Secretary (from 06.11.2013)	-	-	-

* Shri Anil Kumar Kaushik ceased to be Director Finance/ CFO w.e.f 30.09.2015 and Shri Rakesh Kumar Arora has been appointed as Director Finance in his place w.e.f. 01.10.2015.

(c) Transactions with Joint Ventures :

(₹ in crore)

S. No.	Name of Joint Venture	Nature of Transactions	(Proportion of ownership)	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
1	Shristi Urban Infrastructure Development Ltd.	Investment	40%	2.00	2.00	2.00	2.00	2.00
2	Pragati Social Infrastructure & Development Ltd.	Investment	26%	0.13	0.13	0.13	0.13	0.13
3	MCM Infrastructure Pvt. Ltd.	Investment	26%	0.26	0.26	0.26	0.26	0.26
4	Signa Infrastructure India Ltd.	Investment	26%	0.013	0.013	0.013	0.013	0.013

(d) Transactions with Key Management Personnel: **(₹ in crore)**

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Dr. M. Ravi Kanth					
Staff loans and Interest	-	-	-	-	-
Managerial Remuneration	0.31	-	-	-	-
Shri V P Baligar					
Staff loans and Interest	-	-	-	-	-
Managerial Remuneration	0.02	0.23	0.21	0.169	-
Sh. K. L. Dhingra					
Staff loans and Interest	-	-	-	-	-
Managerial Remuneration	-	-	-	-	0.005
Shri N. L. Manjoka					
Staff loans and Interest	0.03	0.04	-	-	-
Managerial Remuneration	0.50	0.26	-	-	-
Sh. Anil Kumar Kaushik					
Staff loans and Interest	0.05	-	-	-	-
Managerial Remuneration	0.52	0.26	-	-	-
Shri T. Prabakaran					
Staff loans and Interest	-	-	-	-	-
Managerial Remuneration	-	-	-	0.116	0.467
Shri Harish Sharma					
Staff loans and Interest	-	-	-	-	-
Managerial Remuneration	0.14	0.06	-	-	-

Statement of Accounting Ratios

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11
Earning per share (Basic/Diluted) (₹)	**388.45**	**362.83**	**349.95**	**314.87**	**274.75**
Return on net worth (%)	**9.99**	**10.20**	**10.75**	**10.53**	**9.96**
Net asset value per equity share (₹)	**3886.89**	**3558.28**	**3253.89**	**2991.60**	**2757.87**
Weighted average number of equity shares outstanding during the year / period (in crore)	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Total number of share outstanding at the end of the year / period (in crore)	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Debt Equity Ratio	**2.65**	**2.85**	**2.57**	**3.14**	**2.86**

Notes:

The ratios have been computed as below:

Earning per Share (₹)	=	Profit after tax / Number of equity shares at the end of the year. (All the shares are held by Government of India and equity shares are of the face value of Rs.1,000/- per share.)

Return on net worth (%)	=	Profit after tax / Net Worth at the end of the year.
Net asset value per equity share (Rs.)	=	Net worth at the end of the year / Number of equity shares outstanding at the end of the year.
Debt equity	=	Total Debt outstanding at the end of the year / Net worth at the end of the year.

Annexure VIII

Statement of Dividend Paid

(₹ in crore)

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11
Equity Share Capital (Issued, Subscribed & Paid up) face value (₹/Share)	1000	1000	1000	1000	1000
Interim Dividend	-	-	-	-	-
Final Dividend	100.01	100.01	150.00	140.01	110.02
Total Dividend	100.01	100.01	150.00	140.01	110.02
Dividend Rate (%)	5.00	5.00	7.49	6.99	5.50

					Annexure-IX
Statement of Income Tax Shelter					
Description	**Year ended 31.03.2015**	**Year ended 31.03.2014**	**Year ended 31.03.2013**	**Year ended 31.03.2012**	**Year ended 31.03.2011**
Profit before Tax as per books of accounts (A) ((before prior period adjustments)	1,170.52	1,115.97	1,041.99	939.90	820.82
Income Tax Rate	33.99%	33.99%	32.45%	32.45%	33.22%
Tax at above rate	397.86	379.32	338.13	304.95	272.66
Adjustments:					
Permanent Differences :					
Profit / Loss on sale of Fixed Assets	0.01	(0.03)	(0.02)	(0.03)	(0.01)
Donations as per books of accounts	-		-	0.01	-
Wealth Tax	0.25	0.25	0.20	0.15	0.15
Prior Period Adjustments	10.42	(21.62)	19.71	0.07	0.29
Exempted Income u/s 10(34) Dividend Income	-	-	-	-	-
Reserve for bad & doubtful debts u/s 36(1)(viia)	(59.72)	(44.21)	(47.30)	(39.99)	(35.38)
Items to be considered under head House Property	(24.01)	(18.05)	(16.12)	(13.46)	(11.41)
Profit on sale of investment			-	-	-
Disallowance u/s 40A	0.07	0.07	0.04	0.04	0.11
Other Income (Special Reserve claimed & written back due to Prepayment of loans)			-	-	-
Interest u/s 234 B & C	5.40	2.50	1.50	3.00	0.21
Perquisite Tax paid by HUDCO	0.20	0.25	0.23	0.21	-
HUDCO Recreation Club Expenditure	-	-	-	-	-
Provision of CSR/ CSR Expenditure	3.23	18.30	(19.87)	19.87	-
Total Permanent Difference (B)	(64.15)	(62.54)	(61.63)	(30.13)	(46.05)
Timing Difference:					
Difference between depreciation as per Companies Act & depreciation as per Income Tax Act, 1961	(0.03)	(0.77)	(0.63)	(0.92)	5.80
Special Reserves u/s 36(1)(viii)	(291.26)	(213.76)	(226.31)	(186.98)	(170.29)
Provision for PF Contribution	-	(4.12)	(4.61)	(5.21)	13.94
Provision for Debtors	2.25	1.31	2.39	6.71	1.42
Provision for Pension	28.36		-	-	-
Provision on Loans	271.28	7.85	132.69	37.18	27.80
Provision for retirement benefits	21.35	6.91	17.57	8.67	8.72
Provision for Staff Loan	-	-	-	-	-
Provision for gratuity	-	-	-	-	-
Provision for welfare expenses	0.57	(0.03)	0.31	0.02	-
Provision for Investments	-		-	-	-
Disallowance under section 43 B	0.85	(8.34)	(1.06)	(11.77)	5.46
Provision for LTC	(5.13)	(2.57)	(2.07)	2.28	(3.20)
Financial Charges written off			-	-	-
Total Timing Differences (C)	28.24	(213.52)	(81.72)	(150.02)	(110.35)
Taxable Rental Income(D)	16.81	12.36	11.28	9.42	7.84
Long Term Capital Gain	-	-	-	-	-
Short Term Capital Gain u/s 111A	-	-	-	-	-
Short Term Capital Gain other than u/s 111A	-	-	-	-	-
Total Capital gain (E)	-	-	-	-	-
Donations u/s 80G (F)	-	-	-	0.01	-
Taxable Profit (A)+(B)+(C) + (D) +(E) - (F)	1,151.42	852.27	909.92	769.17	672.27
Tax on Income Other than Capital Gain	391.37	289.69	295.22	249.56	223.31
Tax on Capital Gain			-	-	-
Total Tax Liability	391.37	289.69	295.22	249.56	223.31
Interest u/s 234B/ 234C	5.40	2.50	1.50	3.00	0.21
Total Tax Liability	396.77	292.19	296.72	252.56	223.52

Annexure X

Capitalization Statement

(₹ in crore)

PARTICULARS	Pre-issue (As on March 31, 2015)	Post issue *
Debts		
Short term debt	2815.37	2815.37
Long term debt	20652.28	25652.28
Total Debt	**23467.65**	**28467.65**
Shareholders Funds		
Share Capital	2001.90	2001.90
Reserves & Surplus	5779.27	5779.27
Total Shareholder's Fund	**7781.17**	**7781.17**
Long Term Debt / Equity	**2.65**	**3.30**
Total Debt / Equity	**3.02**	**3.66**

* Assuming that entire amount allocated via notification No. 59/2015 dated 06.07.2015 issued by the Central Board of Direct Taxes being ₹ 5000 crore is fully subscribed and there is no change in our shareholder's funds and short term debt.

Notes:		
1. Short term debts represents debts which are raised for a short period upto twelve months.		
2. Long term debts represents debt other than short term debt, as defined above.		
3. Long term debt/Equity	**Long Term Debt**	
	Shareholders' Funds	
4. Total debt/Equity	**Total Debt**	
	Shareholders' Funds	

Annexure-XI

STATEMENT OF CONTINGENT LIABILITIES

1 Contingent Liabilities & other commitments not provided for and counter guarantees issued by Company:

(a) Contingent Liabilities: #

(₹ in crore)

		2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
A	Claims of Contractors not acknowledged as debts	0.72	0.72	0.72	5.69	9.16
	Counter claims of the company	0.63	0.63	0.63	0.63	0.88
B	Demand (including penalty) on account of payment of guarantee fee on SLR debentures guaranteed by Government of India	31.61	31.61	31.61	31.61	31.61
C	Disputed Income tax and Interest tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2015 of ₹ 323.69 crore (previous year ₹ 320.91 crore) under protest	448.19	619.75	481.04	272.96	276.29
D	Disputed service tax demands against which company has gone in appeal. The company has paid a cumulative amount upto 31.03.2015 of ₹ 2.64 crore (previous year ₹ 2.50 crore) under protest	6.97	5.05	5.77	4.56	4.95
E	Counter Claims of various parties for damages against Company's claim in Civil Courts	0.00	0.00	0.00	0.00	0.39

The above does not include contingent liabilities in respect of Andrews Ganj Project (AGP) executed on behalf of Government of India, arising on account of various court cases / arbitration / allottees claims against cancellation of allotment etc., because in this case HUDCO is only working as an agent. As such, liability whenever ascertained / finalised shall be met out of AGP project surplus fund account, being maintained separately.

(b) Capital commitments not provided for:

(₹ in crore)

		2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
A	Estimated amount of commitments remaining to be executed on capital account	39.49	14.59	26.03	31.51	18.13
B	Estimated amount of other commitments on account of maintenance of HUDCO Flats	-	-	0.62	1.66	-

(c) CSR commitments not provided for:

(₹ in crore)

		2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
A	Estimated amount of CSR commitments remaining to be executed	9.61	-	-	-	-

(d) Counter guarantees issued by the Company:

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 (as on 31.03.15) (₹ in crore)	Amount of the guarantee (as on 31.03.14) (₹ in crore)
1)	Bank of Baroda	Date of execution November 2, 2012 Validity Date 21.04.17	Performance guarantee for design and consultancy services/ contracts for construction of quarters and allied services at Hindustan Aeronautics Limited Bangalore	0.06	0.06
2)	Axis Bank	Date of execution January 1, 2013 Validity Date 06.04.14	In favour of NSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2012-13.	--	47.00
3)	HDFC Bank	Date of execution January 24, 2013 Validity Date 23.07.14	In favour of NSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2011-12.	--	43.85
4)	Indusind Bank	Date of execution March 15, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 250 crore availed under Rural Housing fund from National Housing Bank	50.00	50.00
5)	Bank of Baroda	Date of execution March 19, 2013 Validity Date 18.03.16	Collateral security in respect of refinance facility of ₹ 750 crore (including refinance assistance of ₹ 250 crore obtained from National Housing Bank against which Bank guarantee has been	137.50	137.50

			obtained from Indusind Bank) availed under Rural Housing fund from National Housing Bank.		
6)	Vijaya Bank	Date of execution April 5, 2013 Validity Date 07.04.16	Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank.	125.00	125.00
7)	Indusind Bank	Date of execution September 12, 2013 Validity Date 12.09.15	In favour of BSE Ltd. towards 1% security deposit in respect of tax-free bonds issued during FY 2013-14.	45.10	45.10
8)	Axis Bank	Date of execution December 12, 2013 Validity Date 15.12.16	Collateral security in respect of refinance facility of ₹ 500 crore availed under Rural Housing fund from National Housing Bank.	125.00	125.00
9)	Indusind Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank.	125.00	--
10)	Axis Bank	Date of execution May 28, 2014 Validity Date 01.06.17	Collateral security in respect of refinance facility of ₹ 750 crore availed under Rural Housing fund from National Housing Bank.	62.50	--
11)	Canara Bank	Date of execution December 23, 2014 Validity Date 25.12.17	Collateral security in respect of refinance facility of ₹ 950 crore availed under Rural Housing Fund and Urban Housing Fund. from National Housing Bank.	237.50	--
		Total		**907.66**	**573.51**

Counter guarantees issued by the Company as on 31.03.2013

Lender in whose favour the guarantee is extended	Guarantee documentation	Name of counter party	Amount of guarantee (₹ in crore)	Validity Date
HDFC Bank	Deed of counter guarantee dated 22.1.2013	National Stock Exchange Ltd.*	43.85	23.7.2013
Bank of Baroda	Deed of counter guarantee dated 2.11.2012	Hindustan Aeronautics Ltd. **	0.06	21.4.2015
Axis Bank	Deed of counter guarantee dated 1.1.2013	National Stock Exchange Ltd. ***	47.00	6.1.2014
Indus Ind Bank	Deed of counter guarantee dated 15.3.2013	National **** Housing Bank	50.00	18.3.2016
Bank of Baroda	Deed of counter guarantee dated 19.1.2013	National **** Housing Bank	137.50	18.3.2016

** This counter guarantee was extended against bank guarantee issued in favour of National Stock Exchange (NSE) towards 1% security deposit in respect of tax-free bonds issued during financial year 2011-12.*

***This counter guarantee was extended against bank guarantee issued in favour of Hindustan Aeronautics Limited, Bangalore as performance guarantee for design, consultancy and allied services.*

**** This counter guarantee was extended against bank guarantee issued in favour of NSE towards 1% security deposit in respect of tax-free bonds issued during financial year 2012-13.*

***** This counter guarantee was extended against bank guarantee issued in favour of National Housing Bank towards collateral security in respect of refinance facility under Rural Housing fund.*

Annexure - XII

Comments of the Board of Directors on Statutory Auditors' Report for the year 2010-11 and Annexure to the Auditors' Report (required under Section 217 (3) of the Companies Act, 1956).

A. Auditors' Report

Auditors' Report Point No.	Auditors' Report	Management Reply
Point No. 4(i)	The Company has made an additional provision on loans amounting to Rs.30 crores during the year beyond National Housing Bank's norms. The cumulative additional provision on loans beyond NHB norms as on 31.3.2011 stood at Rs. 630 crores. As a result, the profit for the year is lower by Rs.630 crores [refer Note 4(b) of Schedule-T].	Position has been explained in the note No. 4(b) of Schedule-T.
Point No. 4(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 [refer Significant Accounting Policy 2 (b) of Schedule-S].	The Company has the accounting policy of recognising application fee, front end fee, administration fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Schedule-S.
Point No. 4(iii)(a)	Some of the balances of loan Accounts are subject to confirmation/reconciliation. [refer Note 4(a) of Schedule-T]	Noted for suitable action.
Point No. 4(iii) (b)	Non-implementation of Default Resolution Package by Cochin International Airport Ltd. [refer Note 4(c) of Schedule –T]	As per terms of default resolution package, M/s. Cochin International Airport Ltd. is yet to convert loan of Rs. 52 crore and allot equity shares at par. Agency is being pursued for necessary action. This has also been explained in Note No. 4(c) of Schedule-T.
Point No. 4(iii) (c)	In respect of disputes relating to Andrews Ganj Project undertaken by the Company on behalf of the Ministry of Urban Development, the ministry has intimated the Company that it cannot pass on the financial liability to the Government Account on account of various disputes. The Company on its part has refused to accept any liability on account of disputes. We are unable to comment upon the financial implication, if	The Andrews Ganj Project has been undertaken by the Company on behalf of the Ministry of Urban Development. The position has also been disclosed in Note No. 2(b) of Schedule-T.

	any. [refer Note 2(b) of Schedule-T]	
Point No. 4(iii) (d)	The Company is not able to comply with National Housing Bank's credit concentration norms in respect of lending to some State Governments / State Governments Agencies. [refer Note 8 of Schedule-T]	Position has been explained in the note No. 8 of Schedule-T.
Point No. 5(d)	In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except Accounting Standard (AS) 9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realisation basis instead of accrual basis. [refer Significant Accounting Policy 2 (b) of Schedule-S].	The Company has the accounting policy of recognising application fee, front end fee, administration fees and processing fees on loans on realisation basis which has also been disclosed in the point No. 2(b) of Schedule-S.

B. Annexure to the Auditors' Report

<table>
<tr><th>Auditors' Report Point No.</th><th>Auditors' Report</th><th>Management Reply</th></tr>
<tr><td>Point No. (iv)</td><td>In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets. The Company's operations do not involve purchase of inventory and sale of goods. In our opinion, monitoring mechanism in regional offices regarding loan schedule implementation, site inspection, reviewing of financial/ technical appraisal of the schemes and non-receipt of utilization certificates in respect of various grants and subsidies needs to be further strengthened.</td><td>This being a continuous process, noted for suitable further action.</td></tr>
<tr><td>Point No. (vii)</td><td>According to the information and explanations given to us, the Company has an internal audit system; however, to make it commensurate with size and nature of its business, it requires to be further strengthened. In our opinion, the coverage of Internal Audit should be enlarged and submission of replies/ compliances needs to be expedited.</td><td>Steps are being taken by the Company to strengthen Internal Audit Department.

Coverage of Internal Audit has been increasing every year. It has been covering all Regional Offices and some of the Departments of Head Office. It is proposed to widen the coverage further by including some more Departments of Head Office as well.

All the possible steps are being undertaken for early submission of replies / compliances to the Competent Authority.</td></tr>
<tr><td>Point No. (ix)(c)</td><td>According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:
<table>
<tr><th>Name of the statue</th><th>Nature Of Dues</th><th>Financial Year to which the matter pertains</th><th>Forum where Matter is pending</th><th>Amount

(Rs. in Crores)</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax, Interest & Penalty</td><td>1996-1997, 1999-2000, 2000-2001, 2001-2002, 2003-2004, 2007-2008</td><td>Deputy Commissioner of Income Tax</td><td>46.62</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax, Interest & Penalty</td><td>2004-2005, 2005-2006, 2006-2007, 2007-2008,</td><td>Commissioner of Service Tax</td><td>4.70</td></tr>
</table>
</td><td>The matter has been taken up with appropriate authority for decision / rectification / deletion / adjustment of demand raised by them.</td></tr>
</table>

			2008-2009			

Comments of the Board of Directors on Statutory Auditors' Report for the year 2011-12 and Annexure to the Auditors' Report (required under Section 217 (3) of the Companies Act, 1956).

B. Auditors' Report

Auditors' Report Point No.	**Auditors' Report**	**Management Reply**
Point No. 4(i)	During the year, Company is required to make a additional provision of Rs.352.19 crore as per the NHB norms. For the above provisions, Rs. 315.00 crore has been utilized from cumulative adhoc provisions available. As a result, the adhoc provision stood at Rs. 315.00 crore as at 31/03/2012 as against Rs. 630.00 crore as at 31/03/2011.and profit for the current year is lower by Rs. 315/- crore. [Refer Point 3(b) of Note 26].	Position has been explained in Note 26: Explanatory Notes at S. No. 3(b).
Point No. 4(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 [refer Significant Accounting Policy 2(b) of Note 1].	The Company has the accounting policy of recognising application fee, front end fee, administrative fees and processing fees on loans on realisation basis which has also been disclosed in the Note 1 : Significant Accounting Policies at S. No. 2(b).
Point No. 4(iii)(a)	Some of the balances of loan Accounts are subject to confirmation/reconciliation. [refer Point 3(a) of Note 26]	Noted for suitable action.
Point No. 4(iii) (b)	Non-implementation of Default Resolution Package by Cochin International Airport Ltd. [refer Point 3(c) of Note 26]	Position has been explained in Note 26: Explanatory Notes at S. No. 3(c).
Point No. 4(iii) (c)	In respect of disputes relating to Andrews Ganj Project undertaken by the Company on behalf of the Ministry of Urban Development, the ministry has intimated the Company that it cannot pass on the financial liability to the Government Account on account of various disputes. The Company on its part has refused to accept any liability on account of disputes. We are unable to comment upon the financial implication, if any. [refer Point 2(b) of Note 26]. Further, as indicated in Point 2(b) of Note 26, the Company has charged interest amounting to Rs. 15.02	The Andrews Ganj Project has been undertaken by the Company on behalf of the Ministry of Urban Development. The position has also been disclosed & position has been explained in details in Note 26 : Explanatory Notes at S. No. 2(b).

	crore (upto 31/03/2012) which includes prior period interest income of Rs. 8.49 crore as per Board resolution passed in 2009 on balance outstanding of Rs. 204.87 crore (debit) in HUDCO AGP Surplus Account and shown it under other income-interest on construction project and informed the same to the concerned ministry. Specific confirmation from the ministry is yet to come.	
Point No. 4(iii) (d)	The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter No. NHB/ND/HFC/DRS/3792/2011 dated 5.4.2011 as stated above; the same are complied with except in two cases. [refer Point 7(iv) of Note 26]	Position has been explained in Note 26: Explanatory Notes at S. No. 7(iv).
Point No. 5(d)	In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except Accounting Standard (AS) 9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realisation basis instead of accrual basis. [refer Significant Accounting Policy 2 (b) of Note 1].	The Company has the accounting policy of recognising application fee, front end fee, administrative fees and processing fees on loans on realisation basis which has also been disclosed in the Note 1 : Significant Accounting Policies at S. No. 2(b).

B. Annexure to the Auditors' Report

<table>
<tr><th>Auditors' Report Point No.</th><th>Auditors' Report</th><th>Management Reply</th></tr>
<tr><td>Point No. (iv)</td><td>In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets. The Company's operations do not involve purchase of inventory and sale of goods. In our opinion, monitoring mechanism in regional offices regarding loan schedule implementation, site inspection, reviewing of financial/ technical appraisal of the schemes and non-receipt of utilization certificates in respect of various grants and subsidies needs to be further strengthened.</td><td>This being a continuous process, noted for suitable further action.</td></tr>
<tr><td>Point No. (vii)</td><td>According to the information and explanations given to us, the Company has an internal audit system; however, to make it commensurate with size and nature of its business, it requires to be further strengthened. In our opinion, the coverage of Internal Audit should be enlarged and submission of replies/ compliances needs to be expedited.</td><td>Steps are being taken by the Company to strengthen Internal Audit Department.

Coverage of Internal Audit has been increasing every year. It has been covering all Regional Offices and some of the Departments of Head Office. It is proposed to widen the coverage further by including some more Departments of Head Office as well.

All the possible steps are being undertaken for early submission of replies / compliances to the Competent Authority.</td></tr>
<tr><td>Point No. (ix)(c)</td><td>According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:

<table>
<tr><th>Name of the statue</th><th>Nature Of Dues</th><th>Financial Year to which the matter pertains</th><th>Forum where Matter is pending</th><th>Amount (Rs. in Crores)</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax, Interest & Penalty</td><td>1996-1997, 1999-2000, 2000-2001, 2001-2002, 2007-2008 2008-2009</td><td>Deputy Commissioner of Income Tax</td><td>27.59</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax, Interest & Penalty</td><td>2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009 2009-2010 2010-2011</td><td>Commissioner of Service Tax</td><td>4.56</td></tr>
</table></td><td>The matter has been taken up with appropriate authority for decision / rectification / deletion / adjustment of demand raised by them.</td></tr>
</table>

Comments of the Board of Directors on Statutory Auditors' Report for the year 2012-13 and Annexure to the Auditors' Report (required under Section 217 (3) of the Companies Act, 1956).

C. Auditors' Report

Auditors' Report Point No.	Auditors' Report	Management Reply
BASIS FOR QUALIFIED OPINION		
Point No. 6	During the year, Company decided to make additional provision of Rs. 65 crore for Non-Performing Assets beyond the NHB norms. As a result, the adhoc provision for the same stood at Rs. 380 crore as at 31st March, 2013 as against Rs. 315 crore as at 31st March, 2012 and profit for the year is lower by Rs. 65 crore. [Refer Point 3(b) of Note 25].	Position has been explained in the Point 3(b) of Note 25.
Point No. 7	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 [Refer Significant Accounting Policy 2(b) of Note 1].	The Company has the accounting policy of recognising application fee, front end fee, administration fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1.
MATTER OF EMPHASIS		
Point No. 8(i)	Some of the balances of loan Accounts are subject to confirmation/reconciliation. [Refer Point 3(a) of Note 25]	This being a continuous process, noted for suitable further action. Position has been explained in the Point 3(a) of Note 25.
Point No. 8(ii) & (iii)	(ii) In respect of disputes relating to Andrews Ganj Project undertaken by the Company on behalf of the Ministry of Urban Development, the ministry has intimated the Company that it cannot pass on the financial liability to the Government Account on account of various disputes. The Company on its part has refused to accept any liability on account of disputes. We are unable to comment upon the financial implication, if any. [Refer Point 2(b) of Note 25]. (iii) Further, as indicated in Point 2(b) of Note 25, the Company has charged interest amounting to Rs.20.57 crore (Rs.15.02 crore as at 31st March, 2012) for the year ended 31st March, 2013 , as per Board	The Andrews Ganj Project has been undertaken by the Company on behalf of the Ministry of Urban Development. The position has also been disclosed in Point 2(b) of Note 25.

	Resolution passed in 2009. The balance outstanding is Rs. 233.71 crore (debit) in "HUDCO AGP Surplus Account" and shown it under other income-interest on construction project and informed the same to the concerned Ministry. Specific confirmation from the Ministry is awaited.	
Point No. 8(iv)	The Institute of Chartered Accountants of India(ICAI) has given its opinion vide their letter dated 23.5.2013, as requested by the company on expenditure on account of Corporate Social Responsibility(CSR) accounting that unspent expenditure on CSR activities should not be recognized as provision, but a reserve may be created as an appropriation of profits. Accordingly, CSR provision of Rs. 19.87 crore ,amount unspent as at 1.4.2012 has been reversed to the credit of the statement of profit & loss through prior period account and CSR reserve of Rs. 19.87 crore has been created as appropriation of profit and which resulted increase in profit before tax amounting to Rs. 19.52 crore. [Refer Point 22(a) of Note 25].	Position has been explained in the Point 22(a) of Note 25.
Point No. 8(v)	Due to change in Accounting policy relating to reimbursement of Mobile phones to the employees, the profit for the year is lower by Rs. 0.02 crore (Net of tax) [Refer Point 8 of Note 25].	Position has been explained in the Point 8 of Note 25.
Point No. 9	We further report that, without considering the observations made in paragraph 7 & paragraph 8 (i) to (ii) above the effect of which has not been ascertained and after considering the impact of paragraph 6 and paragraph 8(iii) to (v), the Profit for the year would have been Rs.725.49 Crore (as against the reported figure of Rs.700.56 crore) and Reserves & Surplus would have been Rs.4536.99 crore (as against the reported figure of Rs.4512.06 crore).	This being conclusion of point No.7 & 8 as above, so no comments required.
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS		
Point No. 13 (iv)	In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this	The Company has the accounting policy of recognising application fee, front end fee, administration fees and processing fees on

	report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except Accounting Standard (AS) 9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realisation basis instead of accrual basis. [Refer Significant Accounting Policy 2 (b) of Note 1].	loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1.
NHB DIRECTIVES		
Point No. 14	The Company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments / State Governments agencies the said norms have been relaxed to HUDCO by NHB vide letter no. NHB/ND/HFC/DRS/3792/2011 dated April 5th 2011; the same is complied with except in one case and investment in equity share of HFC i.e. Indbank Housing Limited more than 15% of the equity capital of the investee company as prescribed limit, which was invested more than ten years back.[Refer Point 7(iv) of Note 25]	Position has been explained in the Point 7 (iv) of Note 25.

B. Annexure to the Auditors' Report

<table>
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<tr><td>Point No. (vii)</td><td>According to the information and explanations given to us, the Company has an internal audit system; however, to make it commensurate with size and nature of its business, it requires to be further strengthened. In our opinion, the coverage of Internal Audit should be enlarged and submission of replies/ compliances needs to be expedited.</td><td>This being a continuous process, noted for suitable further action.</td></tr>
<tr><td>Point No. (ix)(c)</td><td>According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:
<table>
<tr><th>Name of the statue</th><th>Nature Of Dues</th><th>Financial Year to which the matter pertains</th><th>Forum where Matter is pending</th><th>Amount (Rs. in Crores)</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax, Interest & Penalty</td><td>1996-1997, 1999-2000, 2000-2001, 2001-2002, 2004-2005, 2006-2007, 2007-2008, 2008-2009, 2009-2010</td><td>Deputy Commissioner of Income Tax, CIT(A),ITAT</td><td>235.67</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax, Interest & Penalty</td><td>2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010</td><td>Commissioner of Service Tax</td><td>3.28</td></tr>
</table></td><td>The matter has been taken up with appropriate authority for decision/ rectification/ deletion/ adjustment of demand raised by them.</td></tr>
</table>

Observations of the Statutory Auditor's Report for the year 2013-14 and Management's reply thereon:

Auditor's Report Point No.	Auditor's Report	Management Reply
BASIS FOR QUALIFIED OPINION		
6	During the year, the company has utilised a sum of Rs.160 crore out of the excess provision of Rs.380 crore held 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 crore as at 31st March, 2014. Consequently, the profit for the year is higher by Rs.160 crore. [Refer Point 3(b) of Note 24].	Position has been explained in the Point 3(b) of Note 24.
7	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 [Refer Significant Accounting Policy 2(b) of Note 1].	The Company has the accounting policy of recognizing application fee, front end fee, administration fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1.
MATTERS OF EMPHASIS		
9	Attention has been drawn on the following points: *i)* Some of the balances of loan Accounts are subject to confirmation/reconciliation. [Refer Point 3(a) of Note 24] *ii)* In respect of disputes relating to	i) This being a continuous process, noted for suitable further action. Position has been explained in the Point 3(a) of Note 24. ii) and iii) The Andrews Ganj Project has been undertaken by the company on behalf of

	Andrews Ganj Project undertaken by the company on behalf of the Ministry of Urban Development, the ministry has intimated the company that it cannot pass on the financial liability to the Government Account on account of various disputes. The company, on its part, has refused to accept any liability on account of disputes. We are unable to comment upon the financial implication, if any. [Refer Point 2(b) of Note 24]. *iii)* Further, as indicated in Point 2(b) of Note 24, the company as per the Board Resolution passed in the year 2009, has charged interest amounting to Rs. 22.53 crore (Rs.20.57 crore for the previous year ending 31st March, 2013) for the year ended 31st March, 2014. The same has been shown under the head "Other Income – interest on construction project". The balance outstanding as at the end of the year is Rs. 271.27 crore (debit) in "HUDCO AGP Account". The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited. ***iv)*** in view of revised guidelines issued by the Deptt. of Public Enterprises (DPE) on Corporate Social Responsibility (CSR) and Sustainability effective from 01.04.2013, the company has formulated a CSR and Sustainability policy and accordingly has charged the CSR and Sustainability budget amount of the current financial year to Statement of Profit & Loss. The company, in line with the revised guidelines and policy, has also reversed the opening balance of CSR and SD reserve created by it in earlier years by debiting the same to Statement of Profit & Loss (through prior period) amounting to Rs.20.29 crore and has created a provision for the similar amount. [Refer Point 23 (a) of Note 24].	the Ministry of Urban Development. The position has also been disclosed in Point 2(b) of Note 24. iv) Position has been explained in the Point 23(a) of Note 24.
11	We further report that, without considering the observations made in paragraph 7, the effect of which has not been ascertained and after considering the impact of paragraph 6, the Profit for the year would have been	This being conclusion of point No.6 & 7 as above, so no comments required.

	Rs.566.34 Crore (as against the reported figure of Rs.726.34 crore) and Reserves & Surplus would have been Rs.4961.43 crore (as against the reported figure of Rs.5121.43 crore).	
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS		
13 (iv)	In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except Accounting Standard (AS) 9 "Revenue Recognition" regarding accounting of application fees, front-end-fees, administration fees and processing fees on loans on realisation basis instead of accrual basis. [Refer Significant Accounting Policy 2 (b) of Note 1].	The Company has the accounting policy of recognizing application fee, front end fee, administration fees and processing fees on loans on realisation basis which has also been disclosed in Accounting Policy No. 2(b) of Note 1.
NHB DIRECTIVES		
14	The company is complying with National Housing Bank's credit concentration norms in respect of loans to Private Sector Agencies. However, in case of loans to State Governments/ State Governments agencies, the said norms have been relaxed to HUDCO by NHB vide letter no. NHB/ ND/HFC/ DRS/ 3792/ 2011 dated April 5th 2011; the same is complied with except in case of the investment in equity shares of HFC i.e. Indbank Housing Limited more than 15% of the equity capital of the investee company as prescribed limit, which was invested in the financial year 1990-91. [Refer Point 7(iv) of Note 24]	Position has been explained in the Point 7 (iv) of Note 24.
Annexure to the Auditors' Report		
iv	In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets. The Company's operations do not involve purchase of inventory and sale of goods. In our opinion, monitoring mechanism in regional offices regarding loan schedule implementation, site inspection, reviewing of financial/ technical appraisal of the schemes and non-receipt of utilization certificates in respect of various grants and subsidies needs to be further strengthened.	This being a continuous process, noted for suitable further action.
vii	According to the information and	This being a continuous

<table>
<tr><td></td><td>explanations given to us, the company has an internal audit system; however, to make it commensurate with size and nature of its business, it requires to be further strengthened. In our opinion, the coverage of internal audit should be enlarged.</td><td>process, noted for suitable further action.</td></tr>
<tr><td>ix</td><td>According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:

<table>
<tr><th>Name of the statue</th><th>Nature Of Dues</th><th>Financial Year to which the matter pertains</th><th>Forum where Matter is pending</th><th>Amount (Rs. in crores)</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax, Interest & Penalty</td><td>1996-1997, 1999-2000, 2000-2001, 2001-2002, 2004-2005, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011</td><td>Deputy Commissioner of Income Tax, CIT(A),ITAT</td><td>298.84</td></tr>
<tr><td>Finance Act 1994</td><td>Service Tax Interest & Penalty</td><td>2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011</td><td>Commissioner of Service Tax</td><td>2.95</td></tr>
</table></td><td>The matter has been taken up with appropriate authority for decision/ rectification/ deletion/ adjustment of demand raised by them.</td></tr>
<tr><td>xxi</td><td>To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year, although there have been eleven instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers amounting to Rs. 29.54 Crores. 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. 27.28 Crores.</td><td>Considering the size of the Company and the nature of its business no material fraud on or by the Company was noticed or reported during the year. Although there have been eleven instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers amounting to Rs. 29.54 Crores. The legal proceedings in the cases are under progress. Further, the company has created provision to the extent of Rs. 27.28 Crores in respect of aforesaid cases.</td></tr>
</table>

Observations of the Statutory Auditor's Report for the year 2014-15 and Management's reply thereon:

Auditor's Report Point No.	Auditor's Report	Management Reply
	Basis for Qualified Opinion	
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. [Refer point no. 4 of Note no. 26].*	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. [Refer point no. 3(b) of Note no. 26].*	The Company is creating additional provision on loans as per the approved accounting policy duly recommended and approved by Audit Committee & Board {Point No. 4(b)}. 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.
	Emphasis of Matters	
i)	Sanctioning and disbursement of a fresh loan to U.P. Rural Housing Board	Position has been explained in the Point No. 5 of Note 26.

	(UPRHB), an existing non-performing account; approval of one time settlement in the existing account of UPRHB; transfer of part amount receivable to Government of Uttarakhand consequent to bifurcation of States pending documentation/agreements; and consequent adjustments in these accounts. [Refer point 5 of Note no. 26].	
ii)	Some of the balances of loan accounts are subject to confirmation/ reconciliation. [Refer Point 3(a) of Note 26].	This being a continuous process, noted for suitable further action. Position has been explained in the Point No. 3(a) of Note 26.
iii)	In respect of disputes relating to Andrews Ganj Project undertaken by the company on behalf of the Ministry of Urban Development, the ministry has intimated the company that it cannot pass on the financial liability to the Government Account on account of various disputes. The company, on its part, has refused to accept any liability on account of disputes. [Refer Point 2(b) of Note 26]. Further, as indicated in Point 2(b) of Note no. 26, the company, as per the board resolution passed in the year 2009, has charged interest amounting to Rs. 22.98 crore [Rs.22.53 crore for the previous year ending 31st March, 2014] for the year ended 31st March, 2015. The same has been shown under the head "Other Income – interest on construction project". The balance outstanding as at the end of the year is Rs. 295.61 crore (debit) in "HUDCO AGP Account". The same has been informed to the concerned ministry but specific confirmation from the ministry is awaited.	The Andrews Ganj Project has been undertaken by the company on behalf of the Ministry of Urban Development. The position has also been disclosed in Point No. 2 of Note 26.
	Report on Other Legal and Regulatory Requirements	
3 (h) (iii)	There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company *except a sum of Rs.0.26 crore, remaining unclaimed on account of interest on bonds/deposits over 7 years. [Refer point No. 16 (b) of Notes No. 26].*	Position has been explained in the Point No. 16 (b) of Note 26.
	NHB DIRECTIVES	
4	The company is complying with National	Position has been explained in the

<table>
<tr><td></td><td>Housing Bank's credit concentration norms in respect of loans to private sector agencies. However, in case of loans to State Governments/ State Governments agencies, the said norms have been relaxed to HUDCO by NHB vide letter no. NHB/ ND/ HFC/ DRS/ 3792/ 2011 dated April 5th 2011; the same is complied with except in case of the investment in equity share of HFC i.e. Indbank Housing Limited where more than 15% of the equity capital of the investee company as prescribed limit, which was invested in the financial year 1990-91. [Refer Point no. 12(iii) of Note no. 26].</td><td>Point No. 12 of Note 26.</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td>ANNEXURE 1 TO THE AUDITOR'S REPORT</td><td></td></tr>
<tr><td>iv</td><td>In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and income from services. In our opinion, monitoring mechanism in regional offices regarding loan schedule implementation, site inspection, reviewing of financial / technical appraisal of the schemes; and non-receipt of utilization certificates in respect of various grants and subsidies need to be further strengthened. The company's operations, however, do not involve purchase of inventory and sale of goods.</td><td>This being a continuous process, noted for suitable further action.</td></tr>
<tr><td>vii (c)</td><td>According to the information and explanations given to us, there are no dues of income tax, wealth tax and Service Tax which have not been deposited on account of any dispute except the following:
<table>
<tr><th>Name of the statue</th><th>Nature of Dues</th><th>Financial Year to which the matter pertains</th><th>Forum where Matter is Pending</th><th>Amount (Rs. in Crores)</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax, Interest & Penalty</td><td>1996-1997, 1997-1998, 1999-2000, 2000-2001, 2001-2002, 2003-2004 2004-2005, 2005-2006, 2007-2008, 2008-2009,</td><td>Deputy Commissioner of Income Tax, CIT(A), ITAT</td><td>124.50</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax, Interest & Penalty</td><td>2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011,</td><td>Commissioner of Service Tax</td><td>4.33</td></tr>
</table></td><td>The matter has been taken up with appropriate authority for decision/ rectification/ deletion/ adjustment of demand raised by them.</td></tr>
</table>

	2011-2012, 2012-2013, 2013-2014, 2014-2015	
vii (d)	According to the information and explanations given to us, the amount which was required to be transferred to investor education and protection fund in accordance with sub section (5) of section 124 of the Companies Act, 2013 *except a sum of Rs. 0.26 crore, which has not been deposited on account of unclaimed interest on bonds and deposits remaining unpaid for seven years from their date of payment.*	Position has been explained in the Point No. 16 (b) of Note 26.
xii	To the best of our knowledge and belief and according to the information and explanations given to us, 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.	Considering the size of the Company and the nature of its business no material fraud on or by the Company was noticed or reported during the year. Although there have been three instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers amounting to Rs. 57.42 crores. The legal proceedings in the cases are under progress. Further, the company has created provision to the extent of Rs. 23.03 crores in respect of aforesaid cases.
	ANNEXURE 2 TO THE AUDITOR'S REPORT	
4	Age-wise details of pending litigation and arbitration cases are annexed as per annexure "A". Further, as examined by us, HUDCO Law wing doesn't have effective monitoring mechanism for the expenditure on legal cases and records kept at regional offices.	Statement of fact, so no comments required. There exist duly approved guidelines for engagement of advocate, settlement of fees, monitoring and review thereof. Proper record regarding expenses of legal cases is also maintained at Regional Offices and all these expenses are booked in respective account of the scheme and are recoverable from borrowers. As such the present system of incurring and monitoring of legal expenses is exhaustive and working satisfactorily.

ANNEXURE B:

CREDIT RATINGS AND RATIONALE

CARE Ratings
Professional Risk Opinion
20 PLUS YEARS Analytical Excellence

CARE/DRO/RL/2015-16/1880

Dr. Ravi Kanth Medithi
CMD
Housing and Urban Development Corporation Ltd.
Core 7A, HUDCO Bhawan, India Habitat Centre
Lodhi Road,
New Delhi – 110003

October 19, 2015

Confidential

Dear Sir,

Credit rating for proposed Bond issue of up to Rs.3,711.50 crore (within overall bond issue of Rs.5,000 crore for 2015-16)

Please refer to your request for rating of the proposed long term bond issue of up to Rs. 3,711.50 crore of your company (within overall bond issue of Rs.5,000 crore for 2015-16).

2. The following ratings have been assigned/reviewed by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Remarks
Long term Bonds (2015-16) (including sub-limit of Rs.2,000 crore as subordinated debt)	3,500 (Rupees Three Thousand Five Hundred Crore Only)	**CARE AAA (Triple A)**	**Assigned**
Long term Bonds – Tax-free (FY15-16)	1,500 (Rupees One Thousand Five Hundred Crore Only)	**CARE AAA (Triple A)**	**Reaffirmed**

3. The rationale for the rating will be communicated to you separately.

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

Prachi

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CIN-L67190MH1993PLC071691

4. Please arrange to get the rating revalidated, in case the issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is October 19, 2015).

5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

6. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the instruments have been placed.

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the issues, including the offer document and the trust deed.

8. 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.

9. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

10. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.

11. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

12. CARE ratings are **not** recommendations to buy, sell, or hold any securities or sanction, renew, disburse or recall the concerned bank facilities.

Prachi

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CIN-L67190MH1993PLC071691

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

Prachi

Gaurav Sata

fo

[Prachi Agarwal]
Manager
prachi.agarwal@carerartings.com

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

Encl.: As above

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 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 assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating 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.

CARE Ratings
Professional Risk Opinion

20 PLUS YEARS Analytical Excellence

CARE/DRO/RR/2015-16/1447

Dr. Ravi Kanth Medithi
CMD
Housing and Urban Development Corporation Ltd.
Core 7A, HUDCO Bhawan, India Habitat Centre
Lodhi Road,
New Delhi – 110003

October 20, 2015

Dear Sir,

Credit rating for bond issue of Rs.5000 crore for 2015-16

Please refer to our letter no. CARE/DRO/RL/2015-16/1880 dated October 19, 2015 on the above subject.

2. The rationale for the ratings is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.

3. A write-up (brief rationale) on the above ratings is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as **Annexure - II**.

4. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 21, 2015 we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

Prachi

Prachi Agarwal
[Manager]
prachi.agarwal@careratings.com

Gaurav Dixit

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

Encl: As above

Annexure - I

Rating Rationale

Housing and Urban Development Corporation Ltd

Ratings

Instruments	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bonds – Tax-free (15-16)	1,500 (Rupees One Thousand Five Hundred crore only)	CARE AAA (Triple A)	Reaffirmed
Long-term Bonds (15-16) (including sub-limit of Rs.2,000 crore as subordinated debt)	3,500 (Rupees Three Thousand Five Hundred crore Only)	CARE AAA (Triple A)	Assigned

Rating Rationale

The ratings of Housing and Urban Development Corporation Ltd (HUDCO) continue to derive strength from it being a 100% Government of India (GoI) entity, the GoI support as reflected by its Mini-Ratna status, its increasing strategic importance to the GoI, profitable operations, business growth with incremental lending to low risk Government sector, diversified resource profile, healthy capitalisation and adequate liquidity profile.

Going forward, the ability of HUDCO to improve its asset quality and sustain profitable business growth while maintaining its liquidity and capital adequacy position would be the key rating sensitivities.

Background

HUDCO was set up in 1970 as a 100% GoI-owned developmental financial institution mandated to provide long-term finance for social housing & core urban infrastructure development in the country. It is a central public sector undertaking and a public financial institution within the meaning of Clause (72) of section 2 of the Companies Act, 2013. Furthermore, HUDCO is also a housing finance company registered with National Housing Bank (NHB). The corporation was conferred 'Mini–Ratna' status in August 2004 resulting in greater operational and financial flexibility.

HUDCO's lending is mainly focused towards state undertakings in the housing or urban infrastructure segment with majority of loans backed by state government guarantees and/or budgetary allocation through state sponsored programmes. Presently, HUDCO operates through a corporate office along with 21 regional offices and 11 development offices.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications.*

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CIN-L67190MH1993PLC071691

HUDCO has been appointed as a Central Nodal Agency, along with NHB, for the implementation and monitoring of the recently launched "Pradhan Mantri Awas Yojna – Housing for All by 2022" scheme to be implemented over the period 2015-2022.

Credit Risk Assessment

Ownership by GoI and its continued support to HUDCO

HUDCO is a wholly-owned GoI enterprise, thus, it has an implicit support from the government. HUDCO has been allowed to raise funds through low cost tax-free bonds over the years. HUDCO also has access to refinance assistance of NHB and foreign currency lines from ADB, JBIC, KfW, etc, guaranteed by GoI. As on March 31, 2015, 67% of the total borrowings of HUDCO were assisted by GoI (53% tax-free bonds, 12% NHB assistance and 2% GoI guaranteed foreign currency loans). Furthermore, the GoI has allocated Rs. 5,000 crore to HUDCO to raise funds as low-cost tax-free bonds in FY16 (refers to the period April 01 to March 31).

Increasing strategic importance of HUDCO

HUDCO is a strategically important entity for GoI and has played a significant role in the implementation of its various initiatives in urban infrastructure and low cost housing. HUDCO comes under the purview of Ministry of Housing and Urban Poverty Alleviation (MoHUPA) and has been instrumental in implementation of schemes like Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Swarna Jayanti Shahri Rozgar Yojna (SJSRY), Rajiv Awas Yojna (RAY).

In June 2015, HUDCO has been appointed as one of the two Central Nodal Agencies (CNA) for implementation and monitoring of the *"Pradhan Mantri Awas Yojana - Housing for All by 2022" (PMAJ)* scheme. PMAJ scheme seeks to address the housing requirement of urban poor including slum dwellers. The scheme will be implemented during the years 2015-2022 and would cover 4,041 towns in India to complete 20 million houses in urban areas and 40 million houses in rural areas.

Furthermore, with the upcoming launch of Smart Cities and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) projects of the Government, the role of HUDCO is expected to further increase.

Consistent profitable operations

The total income of HUDCO registered growth of 17% y-o-y to Rs.3,491 crore in FY15 (provisional) led by healthy growth in loan book and improvement in interest spread. Higher yield and decrease in overall cost of borrowing resulted in improvement in the interest spread and NIM to 3.62% and 5.14%, respectively, in FY15 (provisional) (FY14: 2.69% and 4.33%, respectively).

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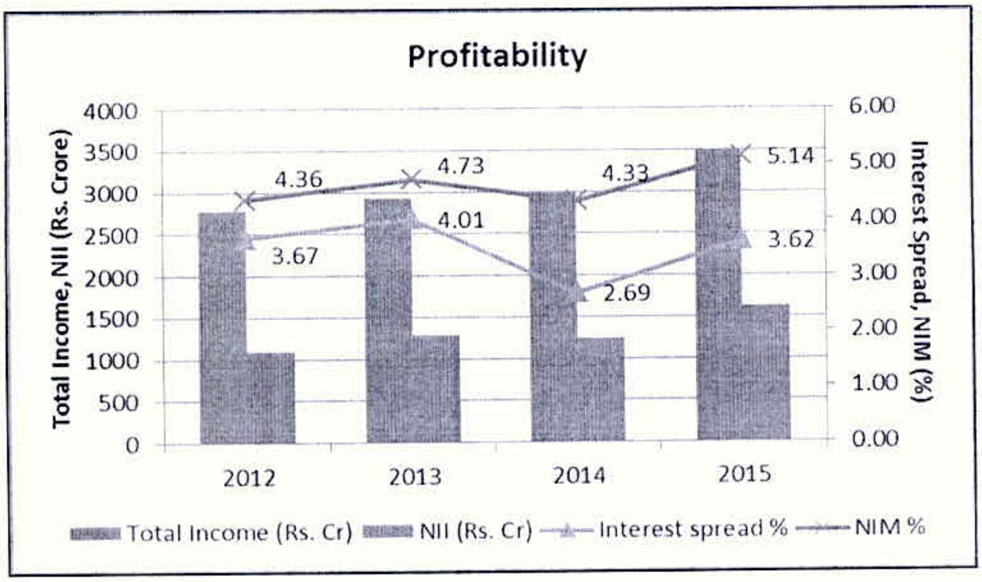
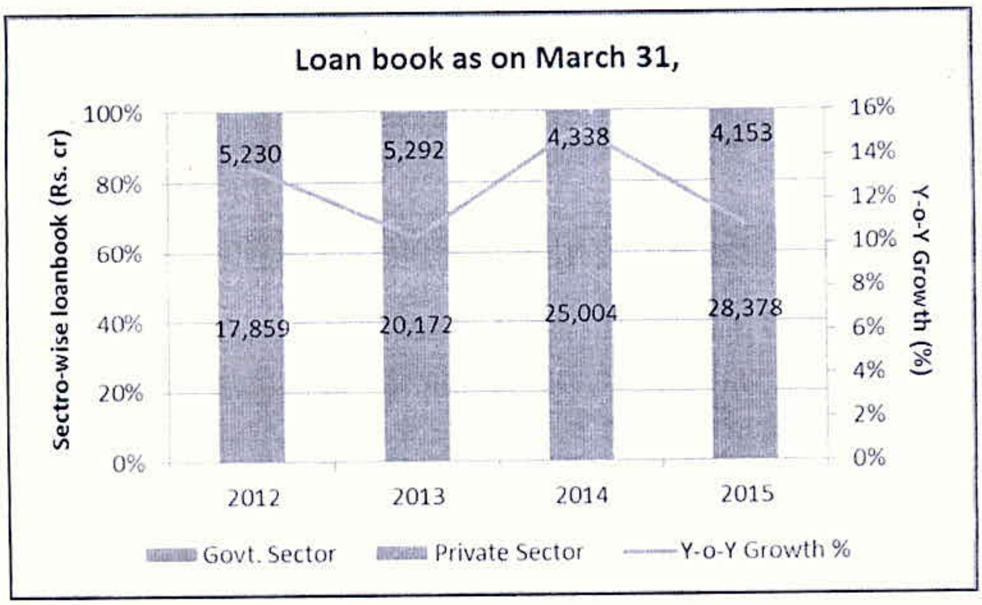


Business growth with incremental lending to low risk Government sector

The loan book of HUDCO registered a growth of 11% y-o-y to Rs.32,530 crore as on March 31, 2015, with exposure to Government sector at 87.2% of the total loan book as on March 31, 2015. The proportion of loan book to government sector has been increasing as HUDCO has discontinued incremental sanctions and disbursements to private sector. HUDCO disbursed Rs.8,047 crore against sanction of Rs.21,096 crore in FY15 of which percentage of disbursement and sanction to private sector stood at 3% and 0.07%, respectively.



With its focus on lending to its mandated sectors, exposure to core sector and social housing increased to 19% and 21%, respectively, of the total loan book as on March 31, 2015, from 15% and 16%, respectively, as on March 31, 2014.

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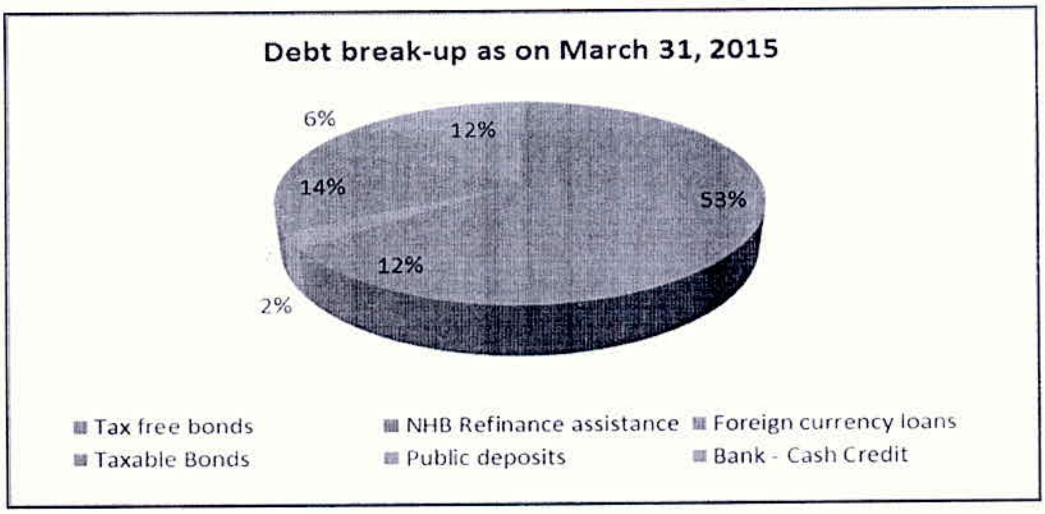
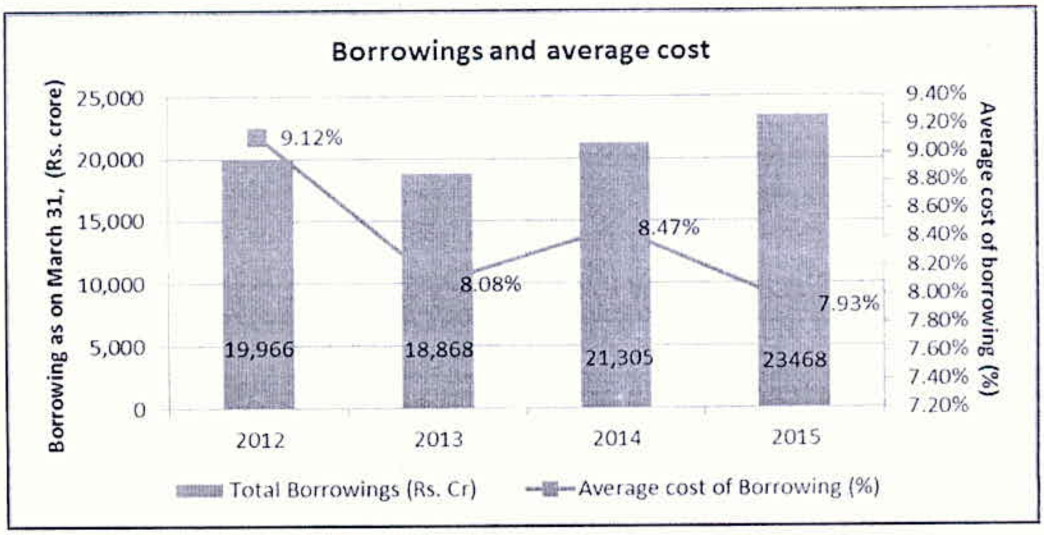
CIN-L67190MH1993PLC071691

Diversified resource profile

HUDCO has access to funds from a variety of sources like Bonds (Tax-free and Taxable), Bank loans, refinance lines from NHB, foreign currency loans, Public Deposits, etc. As on March 31, 2015, out of total borrowing of Rs.23,468 crore, tax-free bonds constituted 53%, taxable bonds: 14%, bank loans: 14%, NHB refinance: 12% and public deposits: 6%. The total borrowing as on March 31, 2015, reported an increase of 10% over last year led by additions of fresh borrowings of Rs.5,131 crore in FY15.



The incremental cost of fresh borrowings in FY15 was 8.15% (Rs. 8,035 crore was raised in FY14 at an incremental cost of 8.77%). The funds were raised through Refinance assistance from NHB (Rs.1,700 crore, RoI: 6.85%-7.35%), Public deposits (Rs.615 crore, RoI: 9.0%-9.9%) and Bank overdraft facility (Rs.2,815 crore).



Healthy capitalisation levels and liquidity profile

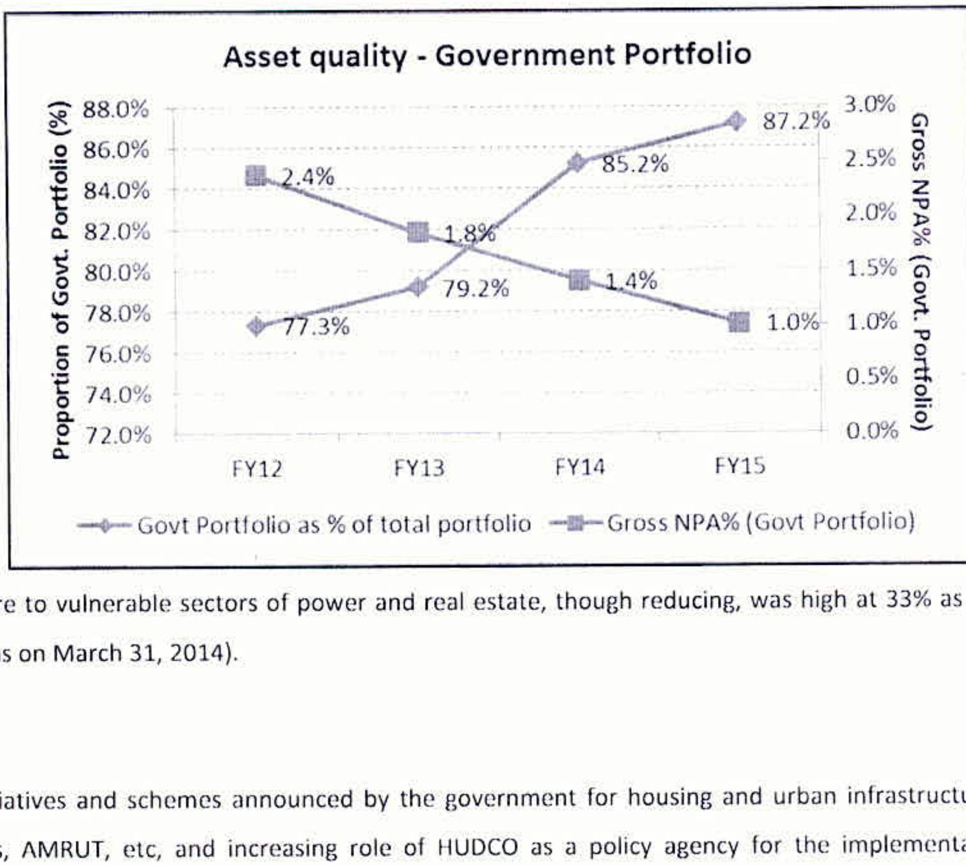
HUDCO's capital adequacy level continues to remain well above the NHB norms of 12%, at 51.21% as on March 31, 2015 (27.85% as on March 31, 2014).

HUDCO has line of credit of Rs.5,800 crore from various nationalised banks to meet any short-term liquidity mismatches. Given the unutilised lines of credit, the ALM is comfortable as on March 31, 2015.

Modest asset quality

The asset quality of HUDCO marginally improved with Gross NPA% of 6.21% as on March 31, 2015, as against 6.76% as on March 31, 2014. Improvement was led by lower slippage ratio of 0.6% in FY15 as against 2.5% slippage in FY14. Higher provisioning led to improvement in Net NPA% to 1.34% as on March 31, 2015 (2.52% as on March 31, 2014).

During FY15, no new accounts were restructured thereby reflecting reducing stress in loan book of HUDCO as on March 31, 2015. Furthermore, the proportion of Government portfolio has increased, where credit risk is lower on account of State Government Guarantees and budgetary allocation in state sponsored schemes for most of the projects. Government portfolio which accounted for 87% of total loan book had Gross NPAs of 1.0% as on March 31, 2015.



The exposure to vulnerable sectors of power and real estate, though reducing, was high at 33% as on March 31, 2015 (39% as on March 31, 2014).

Prospects

Various initiatives and schemes announced by the government for housing and urban infrastructure like PMAJ, Smart cities, AMRUT, etc, and increasing role of HUDCO as a policy agency for the implementation of these schemes, augur well for HUDCO. HUDCO has demonstrated sustained growth in the credit assets leading to growth in revenue and profits, which is expected to continue in the medium term. The ability of HUDCO to capitalise on the opportunities while improving its asset quality would remain the key rating consideration.

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Financial Performance

(Rs. Cr)

For the period ended / as on March 31,	2013 (12m, A)	2014 (12m, A)	2015 (12m, Prov.)
Working Results			
Interest Income	2,855	2,939	3,402
Interest & Financial Charges	1,568	1,702	1,776
Net Interest Income	**1,287**	**1,237**	**1,627**
Other Income	68	55	89
Total Income	**2,923**	**2,994**	**3,491**
Operating Expenses	178	167	207
Provisions	70	169	96
PAT	701	726	777
Financial Position			
Networth	6,514	7,123	7,781
Total Borrowings	18,868	21,305	23,468
Loan Portfolio (net)	24,639	28,034	30,890
Total Assets	26,949	30,214	33,109
Key Ratios			
Solvency			
Overall gearing ratio(times)	2.90	2.99	3.02
Interest coverage(times)	1.75	1.66	1.85
Capital Adequacy Ratio (CAR) (%)	23.24	27.85	51.21
Tier I CAR (%)	23.24	27.85	51.21
Profitability			
Interest Income/Avg. loans (%)	12.09	11.16	11.55
Interest expense/Average borrowings (%)	8.08	8.47	7.93
Interest Spread (%)	4.01	2.69	3.62
Net Interest Margin (NIM) (%)	4.73	4.33	5.14
ROTA (%)	2.57	2.54	2.45
Asset Quality			
Gross NPA (%)	5.69	6.76	6.21
Net NPA (%)	0.83	2.52	1.34
Net NPA/Networth (%)	3.23	10.15	5.42

A: Audited; Prov.: Provisional

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CIN-L67190MH1993PLC071691

Annexure - II

Brief Rationale

CARE reaffirms/assigns 'CARE AAA' ratings to the long term bonds (2015-16) of Housing and Urban Development Corporation Ltd

Rating

Instruments	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bonds – Tax-free (15-16)	1,500 (Rupees One Thousand Five Hundred crore only)	CARE AAA (Triple A)	Reaffirmed
Long-term Bonds (15-16) (including sub-limit of Rs.2,000 crore as subordinated debt)	3,500 (Rupees Three Thousand Five hundred crore Only)	CARE AAA (Triple A)	Assigned

Rating Rationale

The ratings of Housing and Urban Development Corporation Ltd (HUDCO) continue to derive strength from it being a 100% Government of India (GoI) entity, the GoI support as reflected by its Mini-Ratna status, its increasing strategic importance to the GoI, profitable operations, business growth with incremental lending to low risk Government sector, diversified resource profile, healthy capitalisation and adequate liquidity profile.

Going forward, the ability of HUDCO to improve its asset quality and sustain profitable business growth while maintaining its liquidity and capital adequacy position would be the key rating sensitivities.

Background

HUDCO was set up in 1970 as a 100% GoI-owned developmental financial institution mandated to provide long-term finance for social housing & core urban infrastructure development in the country. It is a central public sector undertaking and a public financial institution within the meaning of Clause (72) of section 2 of the Companies Act, 2013. Furthermore, HUDCO is also a housing finance company registered with National Housing Bank (NHB). The corporation was conferred 'Mini–Ratna' status in August 2004 resulting in greater operational and financial flexibility.

HUDCO's lending is mainly focused towards state undertakings in the housing or urban infrastructure segment with majority of loans backed by state government guarantees and/or budgetary allocation through state sponsored programmes. Presently, HUDCO operates through a corporate office along with 21 regional offices and 11 development offices.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

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CIN-L67190MH1993PLC071691

HUDCO has been appointed as a Central Nodal Agency, along with NHB, for the implementation and monitoring of the recently launched "Pradhan Mantri Awas Yojna – Housing for All by 2022" scheme to be implemented over the period 2015-2022.

During FY15 (provisional) (refers to the period April 01 to March 31), HUDCO reported a net profit of Rs.777 crore on a total income of Rs.3,491 crore. The total net loan portfolio stood at Rs.30,890 crore as on March 31, 2015. The gross NPA ratio and net NPA ratio stood at 6.21% and 1.34%, respectively, as on March 31, 2015.

Analyst Contact
Name: Mr Gaurav Dixit
Tel: 011-45333235
Email: gaurav.dixit@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

India Ratings & Research

Fitch Group

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

October 19, 2015

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

Dear Sir,

Re: Issue Specific Rating for Domestic Bond Issuance through Public Placement

India Ratings and Research (Ind-Ra) communicates the following ratings:-

Affirms 'IND AAA' rating to Housing and Urban Development Corporation Ltd's (HUDCO) Secured, Redeemable and Non-Convertible Tax free Bonds in the nature of debentures up to INR37.115bn through a public placement issue (Bond Programme rated on 22 July 2015).
This aforesaid issuance is within the assigned rating of 'IND AAA' to INR85bn domestic bonds (partly taxable and partly tax-free; including a sub-limit of INR20bn of subordinated debt).

The outlook on HUDCO's 'IND AAA' long-term issuer rating is 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. The rating detailed above is valid for 12 months from the date of this letter. Notwithstanding the above, the rating is subject to review on a continuing basis, with formal reviews being undertaken at regular intervals of no more than 12 months. 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

Devendra Kumar Pant
Senior Director

Sunil Kumar Sinha
Director

India Ratings & Research
A Fitch Group Company

Ind-Ra : Info Center : Press Releases

India Ratings Upgrades HUDCO to 'IND AAA'/Stable; Rates Proposed Bonds at 'IND AAA'

Ind-Ra-New Delhi-22 July 2015: India Ratings and Research (Ind-Ra) has upgraded Housing and Urban Development Corporation Limited's (HUDCO) Long-Term Issuer Rating to 'IND AAA' from 'IND AA+' with a Stable Outlook and affirmed its Short-Term Issuer Rating at 'IND A1+'.

Ind-Ra has also assigned HUDCO's INR85bn (partly taxable and partly tax-free) domestic bond issuances an 'IND AAA' rating with a Stable Outlook. A full list of rating actions is at the end of this commentary.

KEY RATING DRIVERS

Public Policy Institution: The upgrade reflects the further strengthening of HUDCO's role as a public policy institution. The government of India (GoI) has made HUDCO one of the two central nodal agencies to channelise the disbursement of the credit-linked subsidy under 'Housing for All by 2022'/'Pradhan Mantri Awas Yojana' to lending institutions and monitor its progress. This is in view of HUDCO's role in executing a social mandate to meet the housing needs of the economically weaker section/ low income group category. Moreover, Ind-Ra expects GoI to continue providing timely support to HUDCO as reflected by its recent notification authorising HUDCO to issue tax-free bonds to the tune of INR50bn in this fiscal.

Lending of sovereign-guaranteed loans by Japan Bank for International Co-operation and Asian Development Bank reflects the importance of HUDCO to the central government. GoI also pursues with appropriate authorities to enable HUDCO to seek a waiver of the government guarantee fee applicable on sovereign foreign currency loans. HUDCO's close operational links with GoI and state government guarantees to the loans disbursed along with allocations in state budgets for the same have helped prevent any credit losses in its state government portfolio (FYE15: 87% of the total loan portfolio, and on a rising trend) to date.

Focus on Core Sector and State Government Loans: To reduce the credit risk, HUDCO has skewed loan disbursal towards state government agencies with their share in the total loan disbursals increasing to 97% in FY15 from 60% in FY10. Disbursements in the core sector, which comprises social housing and non-commercial urban infrastructure, grew 22% yoy in FY15 in relation to the total disbursal growth of 8.3% yoy and accounted for 78% of the total disbursals in FY15. In the core sector, the share of non-performing loans to total outstanding loans was minuscule at 0.8% and 2%, respectively, in FY15.

Disbursals to the non-government sector reduced in FY14 and FY15. Industrial infrastructure, power and commercial real estate and townships in the non-government sector had some share of loan disbursals till FY13. There were no loan disbursals in these sectors in FY14. Also, disbursals in the non-government sector in FY15 were only in the power sector with a share of 3% of total disbursals. Ind-Ra believes the focus on loan disbursal to state government agencies dealing in core sector development shall continue in the near to medium term as a part of HUDCO's prudent risk management policy.

The gross NPL ratio declined marginally to 6.21% in FY15 from 6.76% in FY14. Net NPL ratio dropped substantially to 1.34% in FY15 from 2.52% in FY14 due to higher provisioning (FY15: 23.94% yoy).

Increasing Profitability: HUDCO is a more profitable entity than most of other Ind-Ra rated public policy institutions in terms of better net interest margin, pre-provision operating profitability as well as return on average assets. HUDCO has reduced its cost of funds (interest expense/ average interest bearing liabilities, FY15: 7.63%, FY12: 8.51%) while improving its yield on assets, which had a bearing on FY15 profitability ratios.

HUDCO mobilised refinance assistance of INR17bn in FY15 from National Housing Bank under its rural housing fund and urban housing fund. The access to lower-cost funds has helped HUDCO to increase its loan exposure to social housing for the economically weaker sections and low income groups, as well as to non-commercial urban infrastructure and cut back on higher yielding non-core sectors of power, real estate and industrial infrastructure. Ind-Ra believes the incremental cost of funds would reduce further in FY16 as GoI has notified HUDCO to issue low-cost, tax-free bonds of INR50bn.

Well Capitalised: HUDCO's capitalisation (tier 1 capital ratio) increased sharply to 51.21% in FY15 from 27.85% in FY14 on the back of a decline in the growth rate of its risk-weighted assets. The Mini Ratna status conferred to HUDCO in FY05 has led to the prevention of equity infusions from the government; however, it has maintained a higher equity to assets ratio (FY15: 23.5%) than that of its peers.

RATING SENSITIVITIES

Negative: A negative rating action could result from dilution in HUDCO's role as a public policy institution for GoI's public policy initiatives, or GoI's significant reduction in HUDCO's stake to the extent of weakening of linkages.

COMPANY PROFILE

HUDCO was incorporated in 1970 as a 100% GoI-owned company under section 4A of the Companies Act. Apart from financing low-cost social housing and non-commercial urban infrastructure projects, it offers consultancy services in cost-effective and innovative construction technologies. HUDCO is regulated by National Housing Bank and administered by GoI's Ministry of Housing & Urban Poverty Alleviation.

HUDCO's ratings are as follows:

- Long-Term Issuer Rating: upgraded to 'IND AAA' from 'IND AA+'; Outlook Stable
- Short-Term Issuer Rating: affirmed at 'IND A1+'
- INR85bn domestic bonds (partly taxable and partly tax-free; including a sub-limit of INR20bn of subordinated debt): assigned 'IND AAA'/Stable
- INR142.5587bn domestic bonds (partly taxable and partly tax-free): upgraded to 'IND AAA'/Stable from 'IND AA+'
- INR100bn long-term bank loans: upgraded to 'IND AAA'/Stable from 'IND AA+'
- INR30bn short-term debt: affirmed at 'IND A1+'
- INR5bn short-term debt: assigned 'IND A1+'
- INR30bn domestic term deposit: upgraded to 'IND tAAA'/Stable from 'IND tAA+'

Contacts:

Primary Analyst
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Analyst
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India Ratings and Research Pvt Ltd
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Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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.

Applicable Criteria: 'Rating of Public Sector Entities', dated 12 September 2012, are available at www.indiaratings.co.in.

***

India Ratings & Research (India Ratings) has six rating offices located at Mumbai, Delhi, Chennai, Kolkata, Bangalore and Hyderabad. India Ratings is recognised by Reserve Bank of India, Securities Exchange Board of India (SEBI) and National Housing Bank.

***

ANNEXURE C:

CONSENT LETTER FROM THE DEBENTURE TRUSTEE

Corporate Office: Apeejay House, 6th Floor,
3 Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.
Tel : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com

SBICAP Trustee Company Ltd.

No.2555/SBICTCL/DT/2015-16 **Date: 19th October, 2015**

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

Proposed public issue of tax free bonds in the nature of secured, redeemable, non-convertible debentures having benefits under section 10(15)(iv)(h) of the Income Tax Act, 1961, as amended ("Bonds" and such issue, "the Issue") by Housing and Urban Development Corporation Limited ("Company")

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 Draft Shelf Prospectus to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**"), the Indian stock exchanges where the Bonds are proposed to be listed (the "**Stock Exchanges**") and the Shelf Prospectus, Tranche Prospectus(es) and any other document intended to be filed with SEBI, Stock Exchanges and the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"), in respect of the Issue and all related advertisements, and subsequent communications sent to the holders of the Bonds pursuant to 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 - 400020
Tel: 022-43025555
Fax: 022-22040465
E-mail: corporate@sbicaptrustee.com
Investor Grievance e-mail: investor.cell@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact Person and Compliance Officer: Mr. Ajit Joshi (Company Secretary)
Tel No: 022-43025503
SEBI Registration Number: 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 and declaration regarding our registration with SEBI in the required format. We further confirm that we are eligible to act as debenture trustee for the Issue and it is in compliance with Section 71 of the Companies Act, 2013, read with Sub-Rule 2 of Rule 18 of the Companies (Share Capital and Debenture) Rules, 2014, as amended and Regulation 4(4) of SEBI (Issue and Debt Securities) Regulations, 2008. We also confirm that we have not been prohibited/ debarred 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 an intermediary.

We convey our no-objection to the fund being raised by the Company vide issue of secured Bonds pursuant to the Issue.

We confirm that we will immediately inform the Company and the Lead Managers to the Issue in writing 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 commencement of trading of Bonds on the Stock Exchanges.

SBICAP Trustee Company Ltd.

We also agree to keep strictly confidential, until such time the proposed Issue is publicly announced by the Company in the form of a press release, (i) the nature and scope of the Issue; and (ii) our knowledge of the proposed Issue of the Company.

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

Sincerely,

For **SBICAP Trustee Company Limited**

R. Lakshmi Narayana Rao
Head – Legal & compliance

CC:

Axis Capital Limited
1st floor, Axis House,
C-2 Wadia International Centre,
P.B. Marg, Worli, Mumbai – 400 025

Edelweiss Financial Services Limited
Edelweiss House
Off CST Road Kalina
Mumbai-400098

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai – 400 020

SBI Capital Markets Limited
202, Maker Tower E
Cuffe Parade
Mumbai 400 005

RR Investors Capital Services Private Limited
47, M.M Road, Rani Jhansi Marg,
Jhandewalan, New Delhi - 110055

Dhir & Dhir Associates
D-55, Defence Colony,
New Delhi – 110 024

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

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

000256

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र PERMANENT REGISTRATION
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय 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

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

स्थान Place : **MUMBAI**

तारीख Date : **OCTOBER 06, 2015**

M. Sonparote
MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory